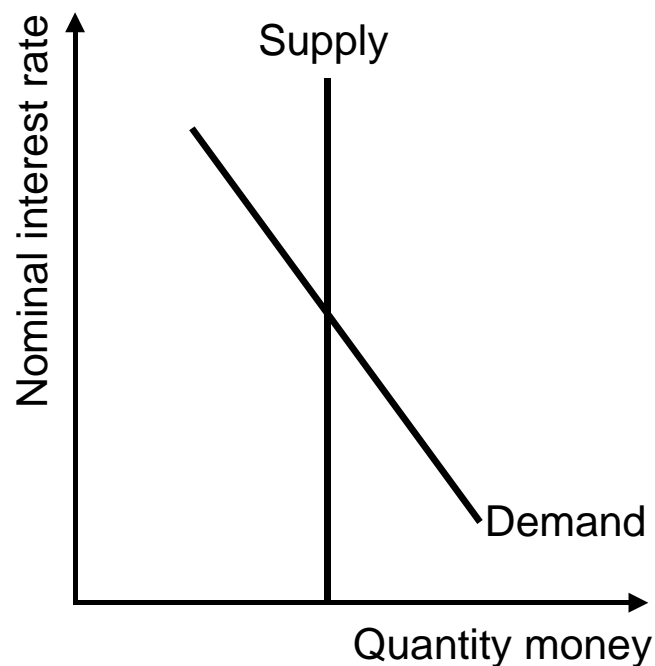


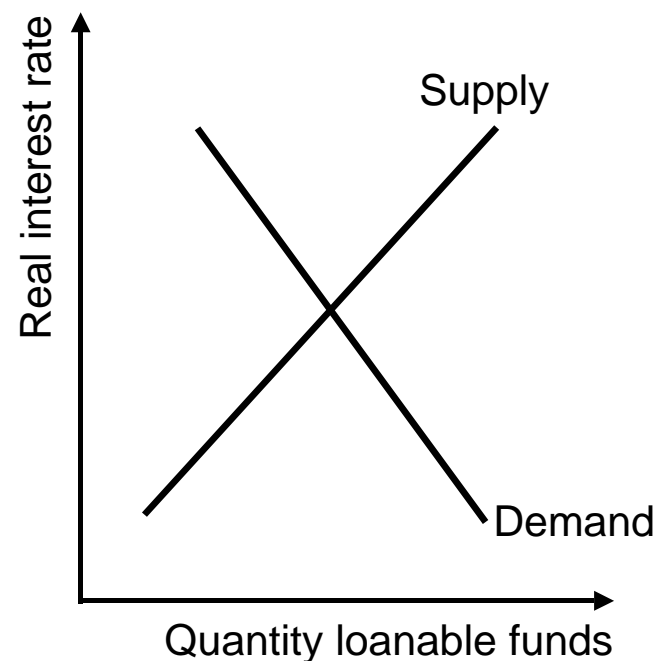
# Money market vs financial market

## Money market



- Demand depends on **nominal** interest rates.
- **Supply** by the central bank
- **Demand** by everybody

## Financial market (market for loans)



- Demand and supply depend on **real** interest rates.
- **Supply** by savers
- **Demand** by borrowers