CURRENT ISSUES OF ECONOMIC SCIENCES

Finance, Banking, Insurance and Stock Market

UDK 336.74:330.131.7

DOI https://doi.org/10.5281/zenodo.16748371

Analysis of global liquidity in the context of financial indicators

Andrii Chaban,

Postgraduate Student, Individual Entrepreneur, Ukraine,

https://orcid.org/0009-0007-1698-658X

Accepted: 19.07.2025 | Published: 05.08.2025

Abstract. The relevance of the study stems from significant transformations in the global financial environment, driven by the monetary decisions of central banks in leading countries, changes in financing sources, the expansion of the non-banking sector, and the proliferation of digital financial instruments. In these conditions, traditional indicators of the money supply lose their analytical capacity, which complicates the timely identification of risks to financial stability. The **purpose** of this article is to identify the mechanisms of global liquidity formation and to clarify its impact on the financial stability of economies with an open financial architecture, through an analysis of the relationship with key macroeconomic indicators that reflect the dynamics of global financial markets. The **research methodology** is based on a systematic analysis of the processes of global liquidity formation, employing a structural-functional approach, comparative analysis, and generalization methods, which enable tracing the relationships between indicators of global liquidity and changes in monetary, foreign exchange, and debt policies. **Results.** The limitations of traditional monetary aggregates (M2, M3) in assessing transnational liquidity are revealed and the feasibility of using GLI indices as more sensitive indicators is substantiated. It has been demonstrated that fluctuations in global liquidity have a significant impact on interest rates, exchange rates, and the structure of debt obligations, particularly in countries with an open financial architecture. It is established that the policy of central banks shapes not only the volume of liquid resources, but also their transmission channels, causing asymmetries in access to financing. The scientific novelty of the study lies in the structured generalization of factors that determine the effectiveness of global liquidity, taking into account regulatory restrictions (Basel III, CCAR) and the influence of non-bank financial institutions. A classification of indicators is proposed based on the source of liquidity formation and the degree of coverage of transnational flows. **Conclusions.** The dual nature of the impact of global liquidity is substantiated: its excess generates financial imbalances and speculative «bubbles», while its deficit increases the vulnerability of markets and limits lending. Prospects for further research are identified as an in-depth analysis of the role of the non-banking sector, central bank digital currencies, and decentralized financial platforms in transforming global liquidity distribution channels.

Keywords: monetary environment, transmission mechanisms, central banks, stability indicators, global finance, regulatory frameworks, capital flows.

Аналіз глобальної ліквідності в контексті фінансових показників

Чабан Андрій Тарасович,
аспірант, ФОП, Україна,
https://orcid.org/0009-0007-1698-658X

Анотація. Актуальність дослідження зумовлена суттєвими трансформаціями у глобальному фінансовому середовищі, які відбуваються під впливом монетарних рішень центральних банків провідних країн світу, змін у джерелах фінансування, активізації небанківського сектору та поширення цифрових фінансових інструментів. За таких умов традиційні індикатори грошової маси втрачають аналітичну спроможність, що ускладнює своєчасне виявлення ризиків для фінансової стабільності. **Метою** статті є ідентифікація механізмів формування глобальної ліквідності та з'ясування її впливу на фінансову стійкість економік із відкритою фінансовою архітектурою через аналіз взаємозв'язку з ключовими макроекономічними показниками, які відображають динаміку світових фінансових ринків. **Методологія** дослідження базується на системному аналізі процесів формування глобальної ліквідності, структурно-функціональному підході, методах порівняльного аналізу та узагальнення, що дають змогу простежити взаємозв'язки між індикаторами глобальної ліквідності та змінами у грошово-кредитній, валютній і борговій політиці. **Результати.** Виявлено обмеженість традиційних грошових агрегатів (M2, M3) в оцінці транснаціональної ліквідності та обґрунтовано доцільність використання індексів GLI як чутливіших індикаторів. Доведено, що коливання глобальної ліквідності впливають на процентні ставки, валютні курси та структуру боргових зобов'язань, особливо у країнах із відкритою фінансовою архітектурою. Встановлено, що політика центральних банків формує не лише обсяги ліквідних ресурсів, а й канали їх трансмісії, спричиняючи асиметрії у доступі до фінансування. Наукова новизна дослідження полягає у структурованому узагальненні чинників, що визначають ефективність функціонування глобальної ліквідності з урахуванням регуляторних обмежень (Basel III, CCAR) та впливу небанківських фінансових інститутів. Запропоновано класифікацію індикаторів за джерелами формування ліквідності та ступенем охоплення транснаціональних потоків. **Висновки.** Обґрунтовано подвійний характер впливу глобальної ліквідності: її надлишок спричиняє фінансові дисбаланси та спекулятивні «бульбашки», тоді як дефіцит посилює вразливість ринків та обмежує кредитування. Перспективами подальших досліджень визначено поглиблений аналіз ролі небанківського сектору,

 ISSN 3041-2129

цифрових валют центральних банків та децентралізованих фінансових платформ у трансформації каналів розподілу глобальної ліквідності.

Ключові слова: монетарне середовище, трансмісійні механізми, центральні банки, індикатори стійкості, глобальні фінанси, регуляторні стандарти, капітальні потоки.

Problem statement. Global liquidity, as a set of financial resources available in the world economy to support the solvency of states, corporations and households, is a determining factor in the stability and predictability of the macrofinancial environment. In the context of growing turbulence in financial markets, increasing geopolitical tensions and cyclical (periodic) recessions, the study of global liquidity parameters through the prism of key financial indicators, in particular the dynamics of interest rates, money supply, debt burden and exchange rate, is of particular relevance. The significant expansion of the monetary base by leading central banks, including the Federal Reserve System (FRS or the Fed) of the USA, the European Central Bank (ECB), the Bank of Japan (BoJ) and the Bank of England (BoE), on the one hand, became an anti-crisis response to global shocks, and on the other hand, it created an environment of excessive liquidity, which potentially causes the formation of speculative financial «bubbles» and disruption of the normal functioning of market mechanisms.

Research on global liquidity is directly related to the scientific tasks of identifying the cause-and-effect relationships between monetary interventions and the transformation of financial stability at the micro and macro levels. The analysis of this issue requires an interdisciplinary approach that integrates the tools of financial analytics, macroeconomic forecasting and systemic risk management (risk management). From a practical point of view, understanding the patterns of global liquidity formation is crucial for making management decisions by institutional investors, international regulators and corporate financial managers who face the challenges of optimizing the asset structure, managing currency risks and ensuring access to capital under conditions of variable availability of liquid resources. Therefore, the study of global liquidity in terms of financial indicators not only fills a scientific gap in modern economic theory but also forms a theoretical basis for the practical adaptation of financial strategies to the conditions of an unstable world market.

Analysis of recent research and publications. Analysis of modern research on global liquidity in the context of financial indicators allows us to distinguish four interrelated scientific directions. The first direction covers the conceptualization of global liquidity as a systemic macrofinancial category and the study of its impact on key indicators of the world economy. The monograph by M. J. Howell proves that global liquidity is a consequence of the policies of central banks and transnational investors, which, by ensuring the availability of capital, cause the hyperbolization of asset prices and a decrease in real returns [1]. In the article by C. Catalini, A. De Gortari and N. Shah, stablecoins are considered as a new form of private global liquidity that functions in parallel with the traditional banking system and has the potential to both stabilize and destabilize financial flows [2]. O. Lopatovska and K. Ponomarova refine the methodology for analyzing the liquidity and solvency of enterprises based on instant coverage ratios, which allows adapting financial diagnostics to conditions of high volatility [3]. Yu. Kostenko, O. Korolenko and M. Huz focus on the transformation of the liquidity profile and financial stability of enterprises under the influence of martial law, in particular on the growth of restrictions on access to working capital [4]. N. Proskurina and A. Hnidkova, in their study, analyze the relationship between liquidity indicators and financial performance, justifying the feasibility of using an integrated approach to assessing efficiency [5]. Prospects for further research in this area are the construction of new macrofinancial models of global liquidity transmission taking into account digital instruments, currency shocks and monetary policy regimes in countries with different levels of economic development.

 ISSN 3041-2129

The second area is related to the use of quantitative and factor models of liquidity analysis as an indicator of financial stability at the micro- and macrosystem levels. In the work of N. Prytuliak, a factor analysis of the liquidity of the company's assets was carried out, which allows localizing the sources of solvency violations by distinguishing internal and external influences [6]. In the article by U. Hrudzevych and N. Drebot, a change in the liquidity structure of the banking system of Ukraine under martial law which is accompanied by an increase in reserve ratios and the concentration of liquid funds in correspondent accounts [7]. In the study by N. Osina, it was found that global liquidity is closely related to indicators of financial stability, in particular market sentiment indices that affect the behavioral reactions of market participants [8]. I. A. S. Hashmi and A. A. Bhatti proposed a monetary typology of global liquidity, identifying indicators of aggregate dollar supply that correlate with the dynamics of prices for risky assets [9]. Research aimed at integrating global liquidity indices into stress testing mechanisms for financial systems, as well as developing multifactor models for forecasting crisis phenomena, remains promising.

The third direction concerns the structural interaction of liquidity between financial markets and the dynamics of intermarket linkages in the context of systemic risks. A. Tripathi, A. Dixit and Vipul, in their review, distinguish the concept of liquidity according to the following aspects: market, accounting and operational, and emphasize the differences in the transmission of liquidity depending on the type of financial instrument [10]. P. Liew, K. Lim and L. Goh demonstrated the high variability of liquidity relationships between different asset classes (stocks, bonds, derivatives), which is especially amplified during periods of financial crises, when systemic interdependence increases [11]. A. Belke and U. Volz described the effect of a «reverse sudden inflow» of capital to emerging markets as a consequence of changes in global liquidity and investors' monetary expectations [12]. Further research should focus on building cross-market liquidity models that take into account time lags, fractal properties, and asymmetric responses across sectors.

 ISSN 3041-2129

The fourth area involves risk-based studies of the relationship between liquidity and behavioral financial performance under the influence of global shocks. T. L. Dang and T. M. H. Nguyen have shown that liquidity, rather than fundamentals, was the key driver of the decline in market capitalization during financial crises, particularly in 2008 and 2020 [13]. B. Bonizzi, C. Laskaridis, and J. Toporowski provide a critical analysis of liquidity assessment methods in the context of limited financial market transparency, particularly in the context of new digital instruments and non-standard assets [14]. In this context, the article by H. Pysanko is indicative, which examines the impact of flexible management practices on increasing the financial stability of small enterprises, which indirectly demonstrates the importance of effective liquidity management in conditions of rapid changes in the economic environment [15]. Further research should be aimed at creating comprehensive models that combine liquidity, solvency risks and behavioral factors of investors in regimes of high uncertainty.

Thus, modern scientific thought considers global liquidity as a multi-level, dynamic and multi-factor system integrated into the architecture of world finance. The most promising areas of research remain: first, the development of integrated models of liquidity monitoring taking into account digital assets; second, the formalization of transmission channels of its impact on financial stability; third, the development of indicators for early diagnosis of risks of liquidity deficit or excess in the global environment.

Identification of previously unresolved parts of the general problem. Analysis of modern scientific research indicates several methodological and applied gaps that remain open for further study.

To date, there is no single theoretical approach to defining global liquidity as a systemic macrofinancial category in the context of the digitalization of finance. In addition, quantitative models of liquidity analysis do not always take into account the dynamic variability of the external environment, including currency shocks, geopolitical risks and behavioral factors. The issue of integrating global liquidity

ISSN 3041-2129

indices into the stress testing system of financial institutions remains insufficiently studied, which limits the possibilities of crisis prevention. The relationship between liquidity and behavioral financial indicators requires further study, in particular in unstable conditions (crises, war, pandemics). A limited number of studies examine liquidity as a determining factor in capitalization fluctuations, the financial stability of enterprises or default risk.

Formulation of the article's objectives (task statement). The purpose of the article is to determine the features of the formation of global liquidity and assess its impact on financial stability through the analysis of the relationship with the leading macroeconomic indicators (indicators) that characterize the state of global financial markets.

To achieve this goal, the following tasks are envisaged:

1. To analyze the dynamics of global liquidity in the post-crisis period and assess its impact on key financial indicators.
2. To determine the relationship between central bank policies and structural transformation in the distribution of global liquid resources.
3. To identify the risks of liquidity imbalances and formulate recommendations for stabilizing liquidity in conditions of economic instability.

Presentation of the main research material. In the post-crisis period, the global financial system is in a state of constant transformation, which is due to changes in the monetary policy of leading economies, the growth of central bank balance sheets, the increase in the role of cross-border capital flows and the activation of non-bank forms of financing. These processes contribute to the growth of overall liquidity in the world economy, but at the same time they cause the emergence of structural challenges for its objective assessment and effective regulation. Traditional monetary aggregates, such as M2 and M3, although they reflect changes in the volume of money supply [16], have limited informativeness in the context of transnational capital movements, the influence of shadow banking and the development of decentralized financial platforms (technologies). In response

ISSN 3041-2129

to these challenges, new integrated indicators were developed, in particular, Global Liquidity Indexes (GLI) [17; 18], which take into account a wider range of funding sources and allow for more accurate identification of changes in the global liquidity environment (table 1).

Table 1

Comparative characteristics of global liquidity indicators and their analytical capabilities

Indicator	Source of formation	Main advantage	Main limitation
M2 (money supply)	Central banks	Simplicity of calculation, use of traditional statistical base	Does not take into account cross-border capital flows
M3 (broad monetary aggregate)	Central banks + long-term deposits	Broader coverage of the banking sector	Low operational efficiency, does not cover decentralized finance (DeFi) instruments
GLI (Global Liquidity Indexes)	Central banks, private sector, transnational flows	High sensitivity to changes, ability to predict market dynamics	Methodological complexity, limited coverage of the DeFi sector
G4 (Central bank balance sheets)	Statistics of assets of the Fed, ECB, BoJ, BoE	Direct reflection of the scale of monetary stimulus	Does not demonstrate the effectiveness of liquidity transmission to the real sector

Source: formed by the author based on [1, p. 181-182; 8; 9; 12, p. 36-40]

In practice, the GLI index demonstrates higher informativeness compared to traditional monetary aggregates, as it combines (integrates) central bank statistical data, behavioral indicators of financial markets and interstate capital flows [18]. In particular, in the post-pandemic period, the growth of GLI against the background of aggressive (active) quantitative easing policy outpaced the recovery of stock markets and the growth of the value of risky assets, which indicates its high predictive ability [19]. In contrast, the M2 and M3 aggregates, although they recorded the growth of the domestic money supply, did not reflect the impact of transnational capital flows and remained limited in assessing global financial

 ISSN 3041-2129

conditions [16]. The balance sheets of G4 central banks reflect the scale of interventions, but do not allow assessing the effectiveness of the transmission mechanism of liquidity to the real sector of the economy [20]. Thus, the use of GLI in the context of modern economic instability ensures the detection of hidden risks of excess or insufficient liquidity at an early stage, before their macroeconomic consequences manifest themselves. In combination with regulatory indicators - the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) - GLI can be effectively used to assess the transmission of liquidity and identify potential financial imbalances [21; 22].

One of the key aspects of the relationship between global liquidity and financial parameters is its impact on changes in the cost of capital, exchange rate stability and the structure of debt financing. Global liquidity, measured using aggregate indices such as GLI, demonstrates not only a high degree of correlation with interest rates but also a leading nature of dynamics about market expectations, debt service costs and pressure on exchange rate policy [17; 18; 20]. The mechanism of liquidity transmission is multifactorial and depends not only on the volume of money supply, but also on the structure of funding sources – centralized and decentralized, banking and non-banking [16; 20]. Changes in global liquidity affect interest rates both through the direct channel of monetary policy and through changes in risk premiums, investor behavior and inflation expectations [20]. Such fluctuations are especially noticeable in the corporate debt segment, in the bond market of developing countries and the currencies of countries with increased external vulnerability. The dynamics of these indicators are determined by the uneven distribution of liquidity between markets, as well as regulatory restrictions introduced within the framework of Basel III standards and Comprehensive Capital Analysis and Review (CCAR) [21; 22] (table 2).

ISSN 3041-2129

Table 2

Interdependence of changes in global liquidity and key financial indicators

Financial indicator	Increase in global liquidity	Decrease in global liquidity
Interest rates	Tendency to decline, especially in developed economies	Increase in rates against the backdrop of liquidity deficit
Exchange rate	Devaluation pressure on currencies with high import dependence	Increase in volatility, capital outflow
Volume of public and corporate debt	Expansion of issuance due to cheaper borrowings	Difficulty in refinancing, increased default risks

Source: compiled by the author based on [1, p. 150; 8; 10, p. 225; 11, p. 342-344; 13]

The practical implementation of the relationship between global liquidity and financial indicators is manifested in the reaction of financial markets to changes in funding sources. For example, according to the GLI analysis, during periods of active expansion of central bank balance sheets, there is an increase in investment activity and a decrease in the cost of sovereign and corporate borrowing, in particular in the high-risk bond segment [17; 18; 20]. In 2020, such processes contributed to a decrease in the yield of 10-year US government bonds. They formed a devaluation trend in the foreign exchange markets of countries with flexible exchange rate regimes [20]. At the same time, the liquidity squeeze in 2022–2023 against the background of the tightening of the monetary policy of the US Federal Reserve led to a wave of credit rating reviews and limited access to market financing in several developing countries [20]. It confirms that changes in global liquidity not only correlate with the dynamics of interest rates and currencies but also actively shape the architecture of debt obligations on a global scale, affecting fiscal stability and investment attractiveness.

The policies of central banks of leading countries directly affect the formation and redistribution of global liquid resources, determining both the volume of available money supply and the channels of its circulation in the global financial system [16; 17]. Monetary regulation tools, such as refinancing rates, open market operations, long-term targeted lending and balance sheet policy, serve not only as

ISSN 3041-2129

internal means of stabilization, but also as factors of global transmission influence [20]. Changes in monetary policy parameters in the USA, Eurozone, Japan and Great Britain are usually accompanied by a reassessment of risks and liquidity in global markets, especially in countries with an open financial architecture. Structural shifts in liquidity availability are driven not only by changes in nominal money supply, but also by regulatory innovations, including the introduction of LCR and NSFR under Basel III [21; 22], which encourage the banking system to hold long-term liabilities instead of short-term operations. In addition, the introduction of restrictions on the use of internal risk models, the Advanced Internal Ratings-Based Approach (A-IRB) and the standardization of stress testing mechanisms under the CCAR program are changing the behavior of systemically important banks, which are the leading conductors of global liquidity (table 3).

Table 3

Central bank policy and its impact on the structure of available global liquidity

Central bank policy component	**Expected impact on the structure of liquidity**	**Macrofinancial effect**
Reduction in the discount rate	Reorientation of capital into risky assets	Activation of capital markets
Balance sheet expansion (QE)	Increase in liquidity in the banking system	Increase in demand for debt instruments
LCR and NSFR requirements	Advantages of long-term funding over short-term funding	Credit multiplier limitation
Stress testing and CCAR	Banks holding additional capital	Reduction in risk appetite, slowing down the transmission mechanism
Balance sheet reduction (QT)	Reduction in excess liquidity	Increase in the cost of funding

Source: compiled by the author based on [1, p. 212; 9; 12, p. 44-46; 13; 14, p. 223-225; 22]

In the current conditions of global turbulence, the influence of central bank policies is enhanced by the synchronization of decisions and their information effect, which shapes the expectations of market participants. For example, the decision of

ISSN 3041-2129

the US Federal Reserve to gradually wind down the quantitative easing (QE) program in 2022 led to a reassessment of financial flows, a reduction in cross-border lending, and an increase in the cost of funding for banks focused on dollar instruments [20]. At the same time, as the results of the GLI show, the slowdown in liquidity growth after 2021 is partly due to changes in the structure of its formation, and not only a reduction in nominal volumes [17; 18]. In the Eurozone, the use of Targeted Longer-Term Refinancing Operations (TLTRO) mechanisms contributed to the temporary localization of liquidity in the domestic banking sector. Still, it did not ensure proper transmission to the bond market of Southern European countries [23]. For its part, the Bank of Japan, despite a long period of ultra-loose monetary policy, has demonstrated a limited impact on global liquidity due to the dominance of operations in the domestic asset market [24]. It indicates that it is the structure and channels of distribution of liquid resources, which central banks determine through regulatory and operational instruments, that shape the contours of the global financial environment and determine the asymmetries of access to resources for different groups of countries and sectors.

Global liquidity, although it functions as a catalyst for economic growth, in the event of excessive or deficient volume, can act as a factor of financial destabilization both at the national and transnational levels [1, p. 223-224]. Excess liquidity, formed as a result of expansive monetary policy, in particular quantitative easing programs and prolonged low interest rates, contributes to the inflation of financial «bubbles», the growth of systemic risks in the segments of high-yield assets, cryptocurrencies, real estate and stock indices [9]. Under conditions of oversaturation with the money supply, there is a decrease in the sensitivity of market participants to fundamental macroeconomic factors, which leads to the distortion of price signals and irrational redistribution of resources [8]. This situation is typical for periods of global optimism, when liquidity, in search of profitability, is directed to risky jurisdictions, creating the illusion of stability and distorting the profile of credit ratings [12].

 ISSN 3041-2129

At the other extreme is the global liquidity shortage resulting from the simultaneous unwinding of stimulus measures by leading central banks, higher refinancing rates, and reduced bank lending [1, p. 229]. This situation is typically accompanied by rising capital costs, outflows of investment from emerging markets, devaluation pressures on currencies of countries with high levels of external debt, and increased risk of corporate defaults [11, p. 354-355]. In this context, economies with limited access to the international stock market, high dependence on short-term external financing, or significant dollarization of the banking system are particularly vulnerable [13]. The fragmentation of global liquidity flows is also exacerbated by geopolitical factors, sanctions regimes, and regulatory constraints, making it difficult to effectively reallocate resources even when liquidity is formally available in the financial system [14, p. 224].

In applied terms, excessive liquidity can provoke moral hazard, when financial institutions, having access to cheap resources, lower lending standards, which in the long term transforms into the accumulation of problem assets [5]. In contrast, a liquidity deficit limits the ability of banks to perform financial intermediation functions, increasing credit constraints for the real sector of the economy and restraining investment activity [7]. Both extremes – both oversaturation and deficit – undermine the effectiveness of the transmission mechanism of monetary policy, create asymmetries between sectors of the economy and deepen financial inequality at the global level [1, p. 294]. In conditions of instability, even a short-term shift in the structure of global liquidity can have prolonged consequences for the stability of exchange rates, balance of payments and fiscal policy of vulnerable economies [13].

The formation of balanced global liquidity in the conditions of economic instability requires a coordinated approach at the level of monetary, fiscal and regulatory policies, which should be based on the principles of adaptability, transparency and proactive risk management. First of all, central banks of leading economies should introduce indicative targeting of global liquidity, integrating

 ISSN 3041-2129

traditional monetary policy instruments with systems for monitoring transnational capital flows and taking into account their impact on the financial stability of economies with limited access to resources. A rational step is to introduce improved feedback mechanisms between quantitative easing (QE) programs and indicators of the effectiveness of liquidity transmission to the real sector of the economy, in particular through the correlation between the growth of central bank balance sheets and the volume of lending to small and medium-sized businesses.

For countries with an open financial architecture, it is recommended to diversify sources of liquidity formation by developing the domestic stock market, activating long-term refinancing instruments, stimulating the participation of institutional investors and reducing dependence on short-term external flows. To this end, it is worth strengthening the role of central banks in ensuring macrofinancial stability, using preventive currency swaps, stabilization mechanisms and programs of guaranteed support for the financial sector in the event of a liquidity crisis. At the global level, there is a pressing need to intensify the activities of international financial institutions, in particular the International Monetary Fund, the Bank for International Settlements and the World Bank, in the direction of creating multilateral platforms for liquidity coordination, exchanging information on systemic risks and forming uniform standards for assessing the state of global liquid resources. Particular attention should be paid to the development of new types of global liquidity indicators that would take into account the components of decentralized finance (DeFi), the activities of non-bank financial intermediaries, as well as the influence of central bank digital currencies (CBDCs), which are increasingly determining the configuration of international financial flows.

It is also advisable to introduce regulatory requirements for financial institutions to conduct stress testing focused on scenarios of a sharp change in the global financial environment: liquidity shortages, disruptions in interbank lending, and restrictions on access to international capital markets. An essential component of the transparency strategy should be strengthening liquidity reporting requirements

ISSN 3041-2129

at the level of banks and corporations, which will allow financial markets to assess risks more effectively and help stabilize market expectations. In the long term, only a systemic approach to liquidity formation – taking into account the necessary balance between stabilization tools and market mechanisms – can ensure financial stability in periods of global turbulence.

Conclusions. The study found that the current dynamics of global liquidity go beyond the traditional interpretation of the money supply, which necessitates the use of comprehensive indicators such as GLI. These indicators allow us to capture transnational capital flows, behavioral signals of financial markets, and alternative forms of financing outside the banking sector. It was found that traditional monetary aggregates (M2, M3) lose their informativeness in modern conditions, as they do not take into account the growing role of shadow banking, decentralized financial systems (DeFi), and digital assets in the formation of liquidity. It is proven that fluctuations in global liquidity significantly affect key financial parameters: the cost of capital, exchange rate stability, and the structure of debt obligations. The highest vulnerability to such changes is demonstrated by economies with an open financial architecture and significant dependence on external funding. It has been established that the monetary and regulatory policies of the world's leading central banks (G4), including balance sheet strategies and Basel III and CCAR standards, determine not only the volume of global liquidity but also how it circulates in the global financial system.

Among the key risks, the dual nature of liquidity has been identified: excessive liquidity stimulates risky behavior of financial institutions, provokes the formation of «bubbles» and the growth of systemic imbalances, and a liquidity deficit leads to an increase in the cost of funding, limits access to credit and increases the threat of financial fragmentation.

A set of recommendations is proposed for the formation of a balanced global liquidity system, which include a combination of adaptive monetary policy with proactive risk management, the development of internal sources of financing and a

 ISSN 3041-2129

reduction in dependence on short-term external flows, the expansion of market discipline and the transparency of liquidity reporting, and the strengthening of coordination of international regulators through multilateral mechanisms for monitoring and information exchange. Prospects for further research are related to a deeper analysis of the role of non-bank financial institutions, digital currencies of leading central banks, and decentralized financial mechanisms in ensuring global financial stability.

References

1. Howell M. J. Capital wars: the rise of global liquidity. New York: Palgrave Macmillan, 2020. 304 p. DOI: https://doi.org/10.1007/978-3-030-39288-8.

2. Catalini C., de Gortari A., Shah N. Some simple economics of stablecoins. *Annual Review of Financial Economics*. 2022. Vol. 14, № 1. P. 117–135. DOI: https://doi.org/10.1146/annurev-financial-111621-101151.

3. Лопатовська О., Пономарьова К. Сучасна методика аналізу ліквідності та платоспроможності підприємства. *Вісник Хмельницького національного університету*. 2022. Вип. 310, № 1. С. 221–228. DOI: https://doi.org/10.31891/2307-5740-2022-310-5(1)-36.

4. Костенко Ю., Короленко О., Гузь М. Аналіз фінансової стійкості підприємства в умовах воєнного стану. *Економіка та суспільство*. 2022. № 43. DOI: https://doi.org/10.32782/2524-0072/2022-43-77.

5. Проскуріна Н., Гнідкова А. Аналіз фінансового стану та фінансових результатів як інструмент оцінки ефективності діяльності підприємства. *Економіка та суспільство*. 2022. № 43. DOI: https://doi.org/10.32782/2524-0072/2022-43-74.

6. Притуляк Н. Факторний аналіз ліквідності активів підприємства. *Scientia fructuosa*. 2020. Вип. 132, № 4. С. 92–105. DOI: https://doi.org/10.31617/visnik.knute.2020(132)07.

7. Грудзевич У., Дребот Н. Аналіз ліквідності та прибутковості банківської системи України в умовах воєнного стану. *Економіка та суспільство*. 2023. № 48. DOI: https://doi.org/10.32782/2524-0072/2023-48-75.

8. Osina N. Global liquidity, market sentiment, and financial stability indices. *Journal of Multinational Financial Management*. 2019. Vol. 52. 100606. DOI: https://doi.org/10.1016/j.mulfin.2019.100606.

9. Hashmi I. A. S., Bhatti A. A. On the monetary measures of global liquidity. *Financial Innovation*. 2019. Vol. 5, № 19. DOI: https://doi.org/10.1186/s40854-019-0134-4.

10. Tripathi A., Dixit A., Vipul. Liquidity of financial markets: a review. *Studies in Economics and Finance*. 2020. Vol. 37, № 2. P. 201–227. DOI: https://doi.org/10.1108/SEF-10-2018-0319.

11. Liew P., Lim K., Goh L. The dynamics and determinants of liquidity connectedness across financial asset markets. *International Review of Economics & Finance*. 2022. Vol. 77. P. 341–358. DOI: https://doi.org/10.1016/j.iref.2021.10.003.

12. Belke A., Volz U. Flows to emerging market and developing economies – global liquidity and uncertainty versus country-specific pull factors. *Review of Development Finance*. 2019. Vol. 9, № 1. P. 32–50. URL: https://hdl.handle.net/10520/EJC-17ce884219 (date of access: 17.05.2025).

13. Dang T. L., Nguyen T. M. H. Liquidity risk and stock performance during the financial crisis. *Research in International Business and Finance*. 2020. Vol. 52. 101165. DOI: https://doi.org/10.1016/j.ribaf.2019.101165.

14. Bonizzi B., Laskaridis C., Toporowski J. Global liquidity, the private sector and debt sustainability in sub-saharan Africa. *Development and Change*. 2019. Vol. 50, № 5. P. 1430-1454. DOI: https://doi.org/10.1111/dech.12507.

15. Pysanko H. Building high-performance teams in small companies based on agile practices of major technology giants. *Актуальні питання економічних наук*. 2025. Вип. 12. DOI: https://doi.org/10.5281/zenodo.15726551.

16. Monetary aggregates – M1 and M2 definitions. European Central Bank: вебсайт. 2024. URL: https://www.ecb.europa.eu/stats/money_credit/monetary_aggregates/html/index.en.html (date of access: 17.05.2025).

17. Global liquidity indicators. Bank for International Settlements: вебсайт. 2025. URL: https://www.bis.org/statistics/gli.htm (date of access: 17.07.2025).

18. Global liquidity indicators – methodology. Bank for International Settlements: вебсайт. 2022. URL: https://www.bis.org/statistics/gli/gli_methodology.pdf (date of access: 17.05.2025).

19. Assessment of the long-term economic impact of stronger capital and liquidity requirements. Bank for International Settlements: вебсайт. 2020. URL: https://www.bis.org/publ/bcbs173.htm (date of access: 17.05.2025).

20. Global Financial Stability Report: Navigating Geopolitical Risks. International Monetary Fund: вебсайт. 2021. URL: https://www.imf.org/en/Publications/GFSR/Issues/2021/10/12/global-financial-stability-report-october-2021 (date of access: 17.05.2025).

21. Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools. Bank for International Settlements: вебсайт. 2013. URL: https://www.bis.org/publ/bcbs238.htm (date of access: 17.07.2025).

22. Basel III: The Net Stable Funding Ratio. Bank for International Settlements: публікація. 2014. URL: https://www.bis.org/bcbs/publ/d295.htm (date of access: 17.05.2025).

23. Targeted longer-term refinancing operations (TLTRO). European Central Bank: вебсайт. 2024. URL: https://www.ecb.europa.eu/mopo/implement/omo/tltro/html/index.en.html (date of access: 17.05.2025).

24. Outline of Monetary Policy. Bank of Japan: вебсайт. 2024. URL: https://www.boj.or.jp/en/mopo/outline/index.htm (date of access: 17.05.2025).