Factors that Shift the Bond Demand Curve

1. Wealth
   A. Economy grows, wealth ↑, \( B^d \uparrow \), \( B^d \) shifts out to right

2. Expected Return
   A. \( i \downarrow \) in future, \( R^e \) for long-term bonds ↑, \( B^d \) shifts out to right
   B. \( \pi^e \downarrow \), Relative \( R^e \uparrow \), \( B^d \) shifts out to right
   C. Expected return of other assets ↑, \( B^d \downarrow \), \( B^d \) shifts in to left

3. Risk
   A. Risk of bonds ↓, \( B^d \uparrow \), \( B^d \) shifts out to right
   B. Risk of other assets ↑, \( B^d \uparrow \), \( B^d \) shifts out to right

4. Liquidity
   A. Liquidity of Bonds ↑, \( B^d \uparrow \), \( B^d \) shifts out to right
   B. Liquidity of other assets ↓, \( B^d \uparrow \), \( B^d \) shifts out to right