Japan: Equity Markets

VIX on NIKKEI (right scale)  TOPIX  TOPIX REIT  TOPIX ETF

Introduction of comprehensive monetary easing

Source: Bloomberg L.P.

Japan: Impact of Monetary Easing on Financial Markets

<table>
<thead>
<tr>
<th>Source: Bloomberg L.P.; and IMF staff estimates.</th>
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<tbody>
<tr>
<td>1 Events defined as the announcement dates of powerful monetary easing by Bank of Japan. Impact on both windows for JGBs, interest rate futures, term premium, and Nikkei; and two-day window for corporate yield are statistically significant at 5 percent level.</td>
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<tr>
<td>2 Interest rate futures refer to 3-month futures and term premium is defined as 10-year net of 2-year sovereign yields.</td>
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</tbody>
</table>
Japan: Cumulative Impact of Monetary Easing Announcements on Financial Sector
(In percent)

Sources: Bloomberg L.P.; and IMF staff estimates.

1 Events defined as in the text. Beta-adjusted return is calculated as industry beta times market return. Statistical significance at 5 percent level from the adjusted returns are obtained for financial sector (two-day window), and both windows for megabanks, insurance, and J-REITs.

Japan: Cumulative Impact of Monetary Easing Announcements on Nonfinancial Corporate Sector
(In percent; by size and credit status)

Sources: Bloomberg L.P.; and IMF staff estimates.

1 Impact measured in a 2-day or weekly event window. Beta adjusted return is calculated as industry beta multiplied by the market return. None of these are statistically significant at 5 percent level from the adjusted returns.