

Today's Theme



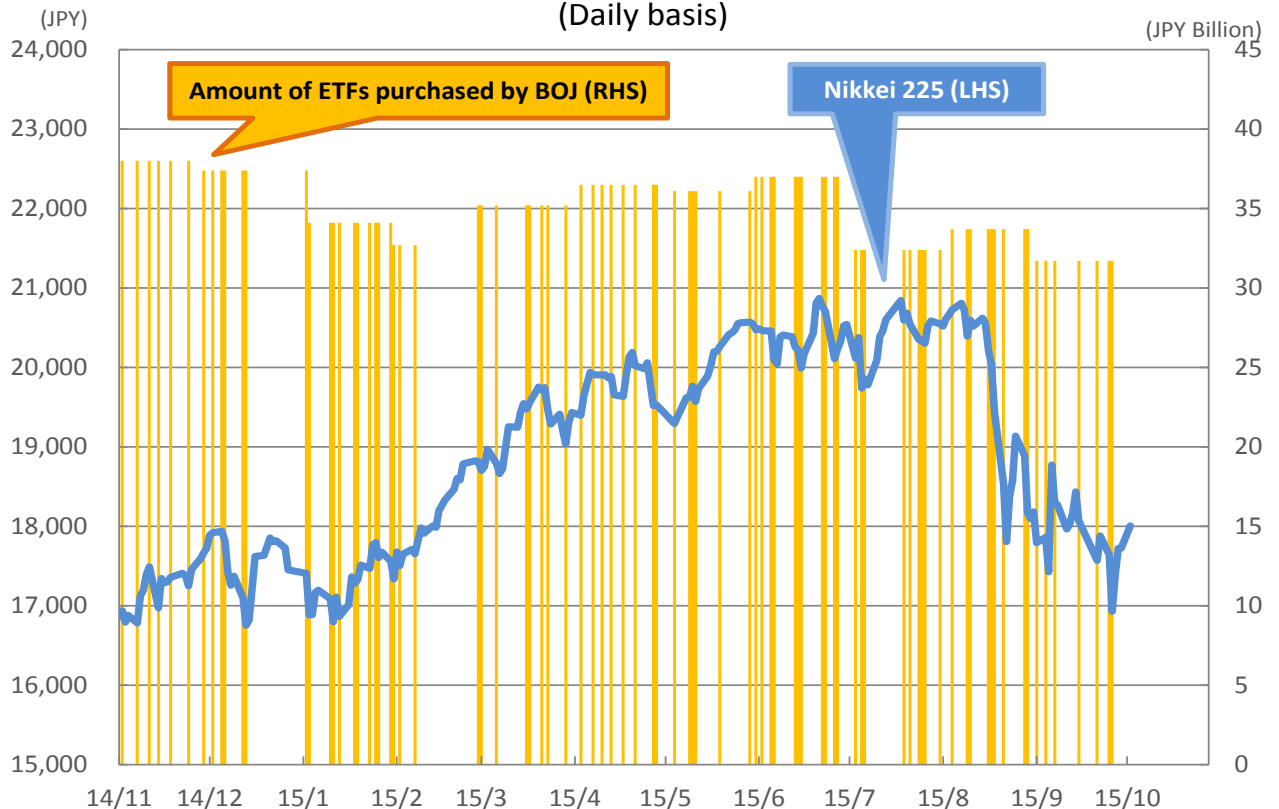
Japanese Equity Market

Q When does BOJ purchase ETFs?

A BOJ tends to increase purchases of ETFs when the Nikkei 225 is traded in a range or declining. BOJ still has a buying capacity of JPY 0.6 trillion for CY2015.

- BOJ accelerated the pace of increasing its holdings of ETFs and J-REITs in addition to JGBs when they executed additional monetary easing in late October 2014. The volume of purchase of ETFs was increased from JPY 1 trillion to JPY 3 trillion per annum. Also, the ETF benchmarked to the JPX Nikkei-400 Index was added to their purchase list.
- We can see that BOJ tends to purchase ETFs when the Nikkei 225 is traded in a range or declining in order to underpin the equity market.
- The balance of ETFs held by BOJ was JPY 6.2 trillion at the end of September, increased by JPY 2.4 trillion from the end of 2014. BOJ still has a buying capacity of approximately JPY 0.6 trillion for CY2015. There is an expectation that they will strengthen the purchase of ETFs as part of their additional monetary easing procedure.

"Trend of Amount of ETFs Purchased by BOJ and Nikkei 225 Index"
(Daily basis)



(Note) Data is from November 4, 2014 to October 5, 2015.

BOJ has not purchased ETFs from September 29 to October 5 this year.

(Source) SMAM, based on BOJ and Bloomberg L. P. data.

* Please note that this report is a translation of Japanese report written on October 14th, 2015.



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