

Figure 1. The Rate of Required Reserves Deposited and the Financial Adjustment Position of the Bank of Japan

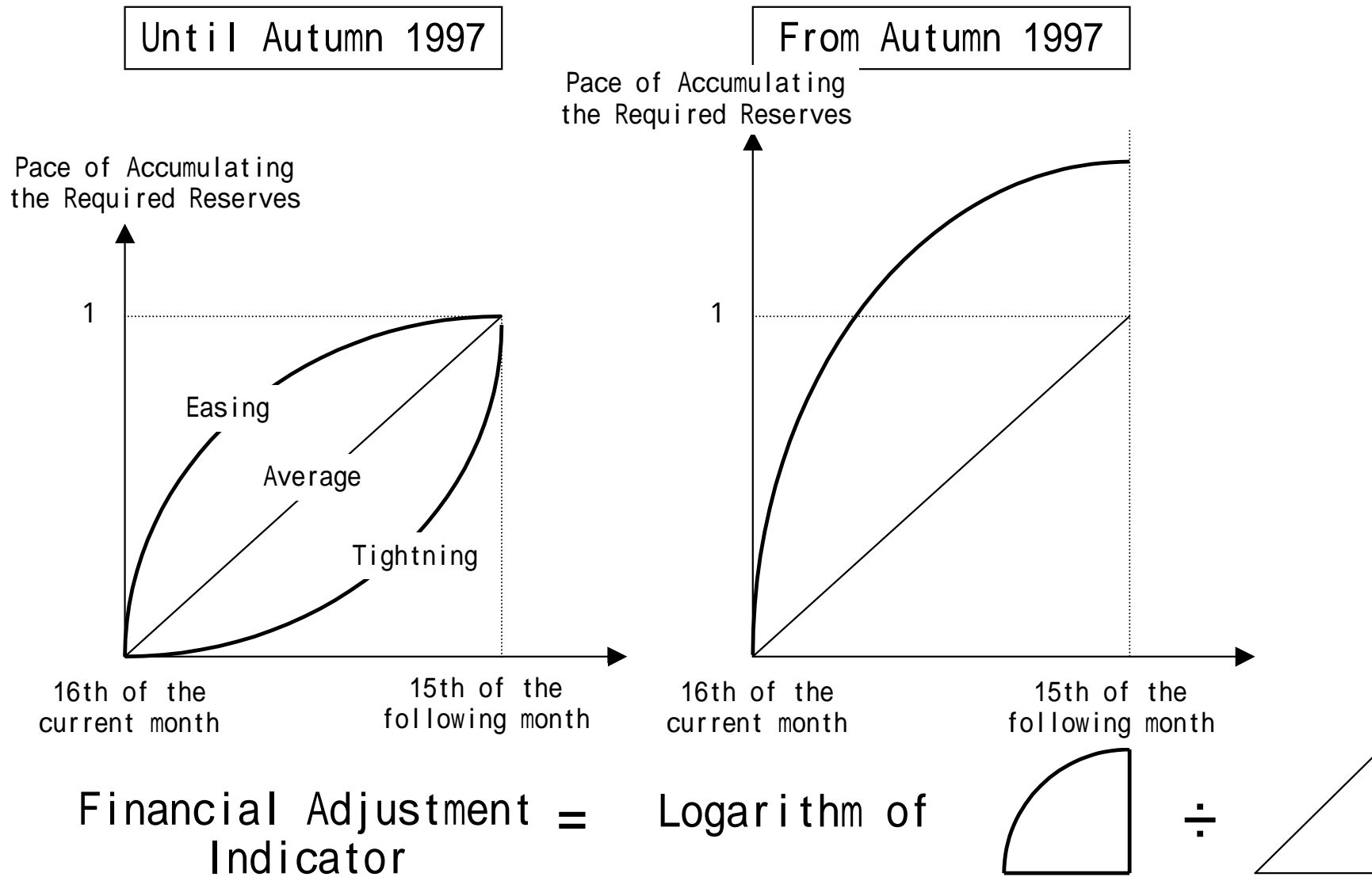
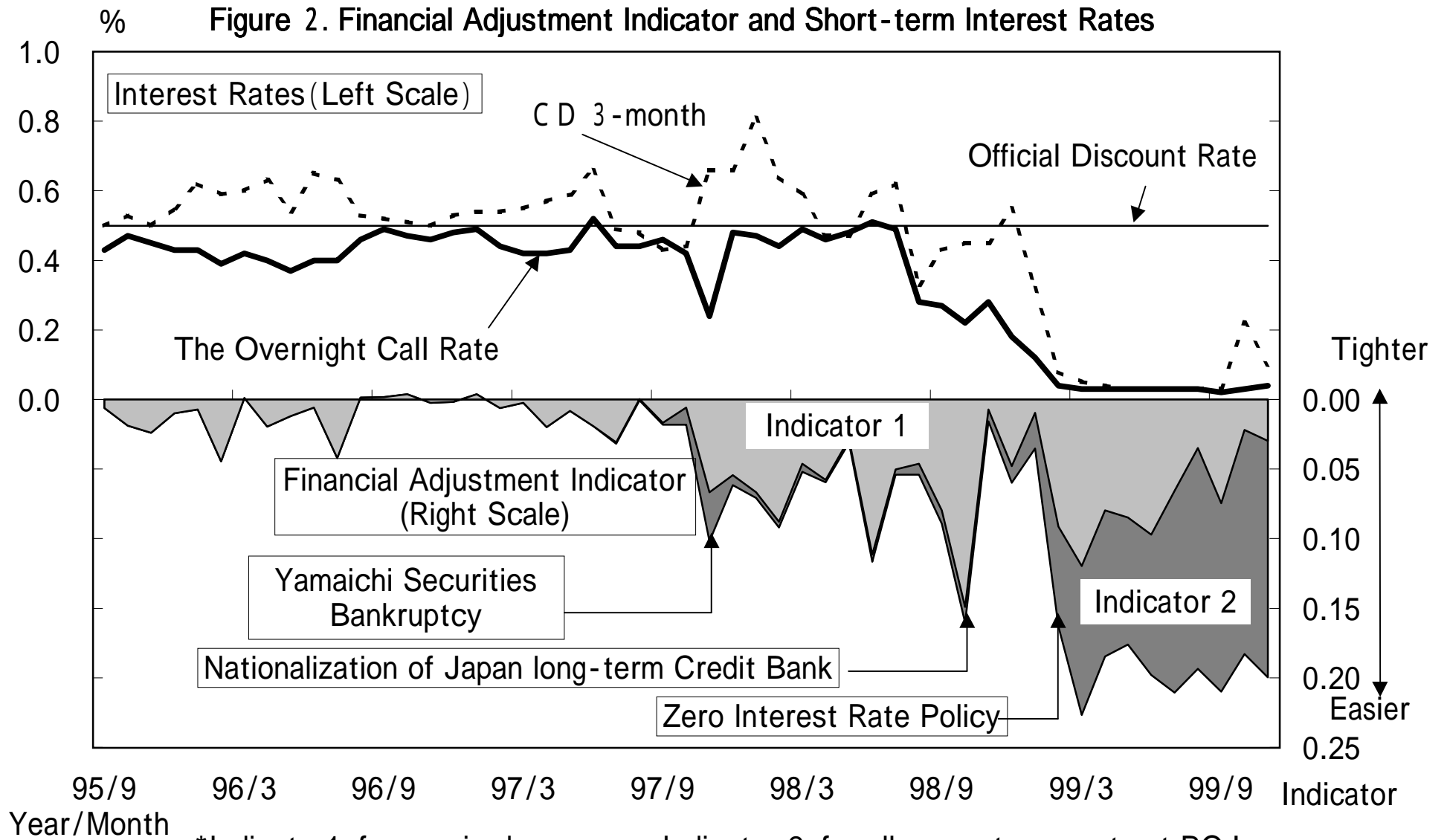
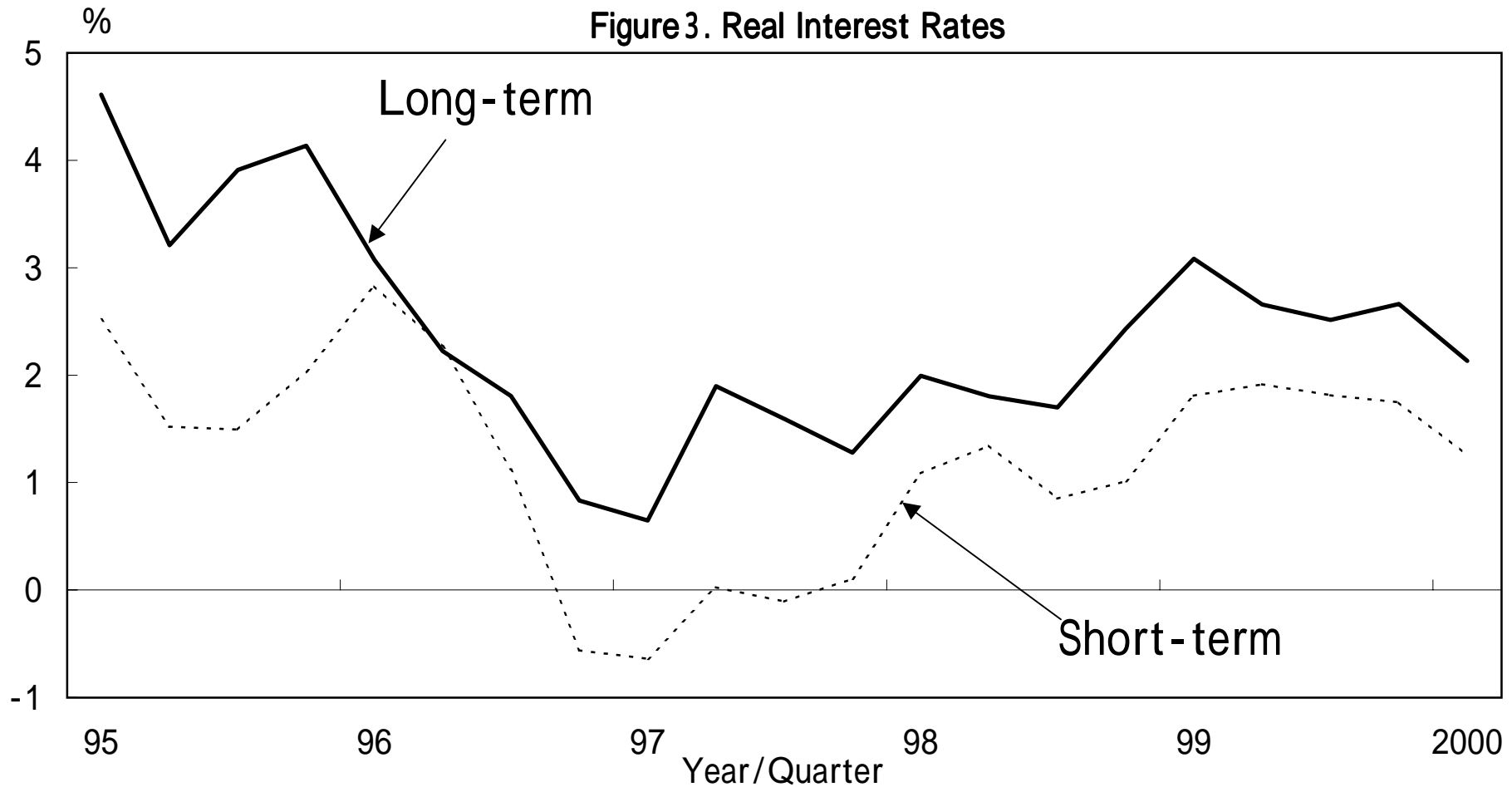


Figure 2. Financial Adjustment Indicator and Short-term Interest Rates



*Indicator1: for required reserves. Indicator 2: for all current accounts at BOJ

Figure 3. Real Interest Rates



*Short-term rates were deflated by the GDP deflator of the following three months, while the long-term rates were deflated by the GDP deflator of the following year. For expected inflation rates from the fourth quarter of 1999, we used the forecast rates of the Quarterly Forecast of the JCER(SA106).