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

Indicator 1: for required reserves.  Indicator 2: for all current accounts at BOJ

The Overnight Call Rate

Tighter

Easier

Official Discount Rate

Yamaichi Securities

Bankruptcy

Nationalization of Japan long-term Credit Bank

Zero Interest Rate Policy

Year/Month

CD 3%
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).