

“Comprehensive Assessment” of the Monetary Easing: Concept and Approaches

Speech at the Kisaragi-kai Meeting in Tokyo

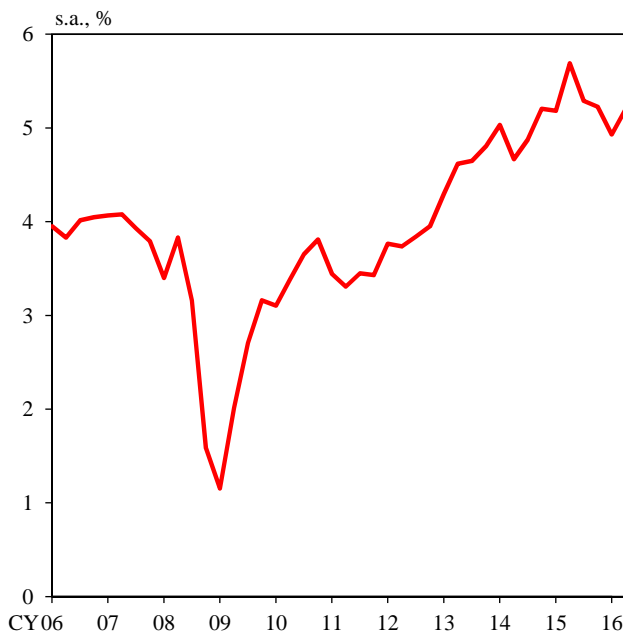
September 5, 2016

Haruhiko Kuroda
Governor of the Bank of Japan

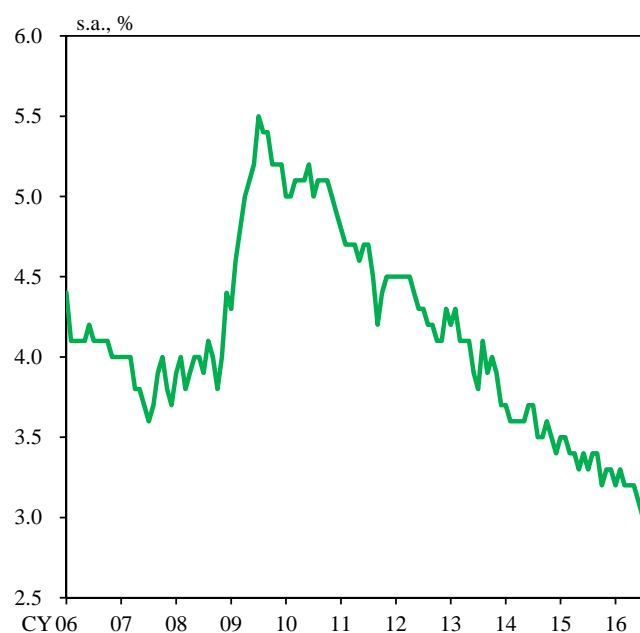
Chart 1

Corporate Profits and Labor Market Conditions

Ratio of Current Profits to Sales



Unemployment Rate

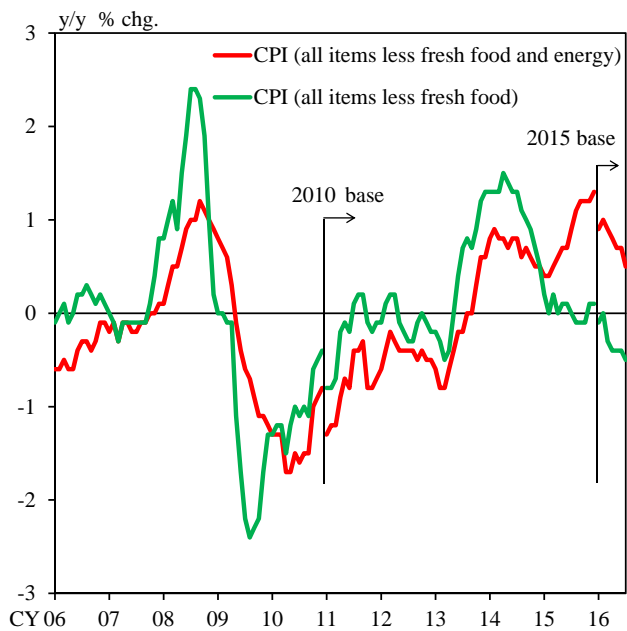


Note: Figures for ratio of current profits to sales exclude “Finance and Insurance.”
Sources: Ministry of Finance; Ministry of Internal Affairs and Communications.

Prices

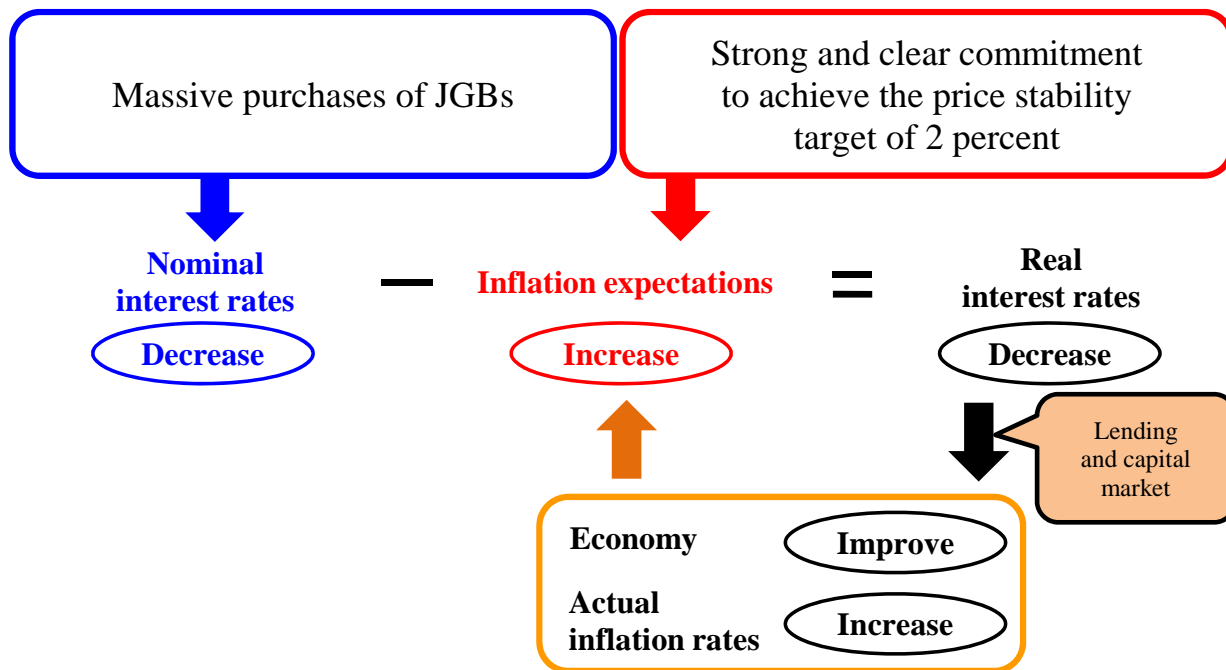
Consumer Prices

Crude Oil Price

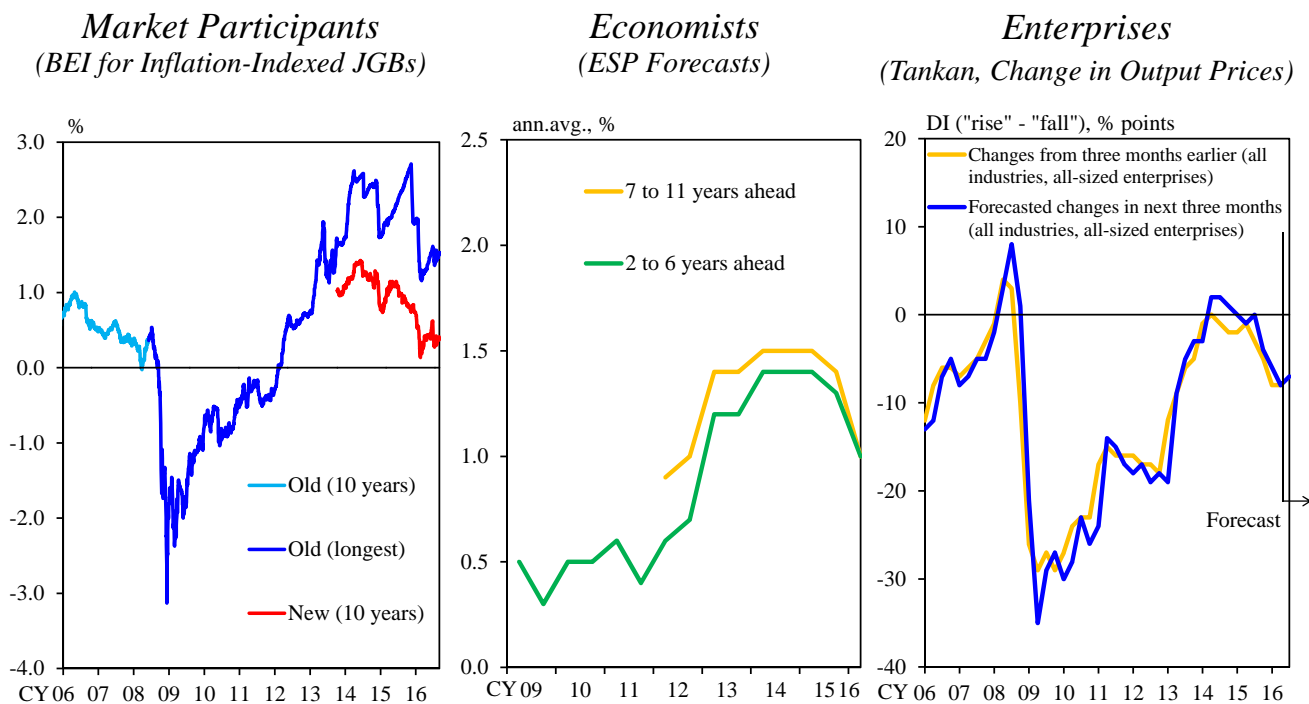


Notes: 1. Figures for the CPI (all items less fresh food and energy) are calculated by the Research and Statistics Department, Bank of Japan.
 2. Figures for the CPI are adjusted to exclude the estimated effects of changes in the consumption tax rate.
 Sources: Ministry of Internal Affairs and Communications; Bloomberg.

Mechanism of Quantitative and Qualitative Monetary Easing



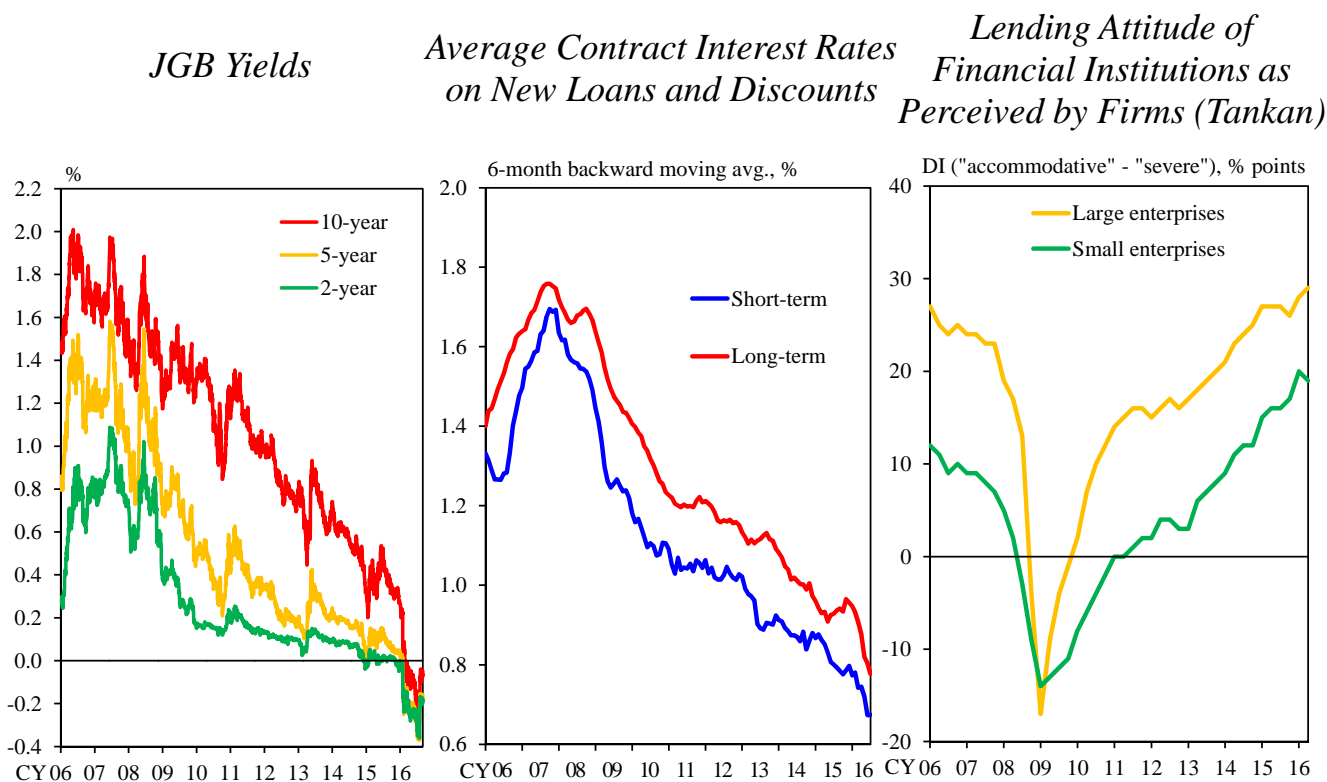
Inflation Expectations



Notes: 1. BEI (break-even inflation) rates are yield spreads between fixed-rate coupon-bearing JGBs and inflation-indexed JGBs. Inflation-indexed JGBs issued since October 2013 are designated as "new," while the rest are designated as "old." Figures for "old (longest)" are calculated using yield data for issue No. 16 of inflation-indexed JGBs, which matures in June 2018.
 2. Figures for the "ESP Forecast" are compiled every June and December, and exclude the effects of the consumption tax hikes.

Sources: Bloomberg; JCER; Bank of Japan.

Financial Conditions



Note: Data from the *Tankan* are based on all industries.
 Sources: Bloomberg; Bank of Japan.