

# **The Effect of the Bank of Japan's Quantitative and Qualitative Monetary Easing with a Negative Interest Rate Policy on Financial Markets**

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We employ an event study methodology to examine financial markets' reactions to the announcement of the Bank of Japan's Quantitative and Qualitative Monetary Easing with a Negative Interest Rate. There are few empirical studies on this policy announcement. We find that this announcement causes yen depreciation and fall of interest rate. Moreover, stock prices in the banking sector decrease but stock prices in the non-banking company sector generally increases after this announcement.

Keywords: Announcement effect; Event study; Negative interest rate policy