

To Lend or Not to Lend: BOJ's ETF Purchase Program and Securities Lending

早稲田大学・篠潤之介

法政大学・片桐満

国際決済銀行・高橋耕史

This study investigates the effects of the Bank of Japan's (BOJ) ETF purchasing program on stock returns, particularly focusing on the role of the stock lending market. Using firm-level panel data, we find that the BOJ's purchases raise stock returns more for those with limited availability in the stock lending market. Nonetheless, in the medium term, the BOJ's accumulated purchases lower lending fees and weaken the effects of their purchases on stock returns. This result suggests that ETF managers supply stocks that constitute ETFs held by the BOJ to the stock lending market, which weakens the policy effects of the program.