

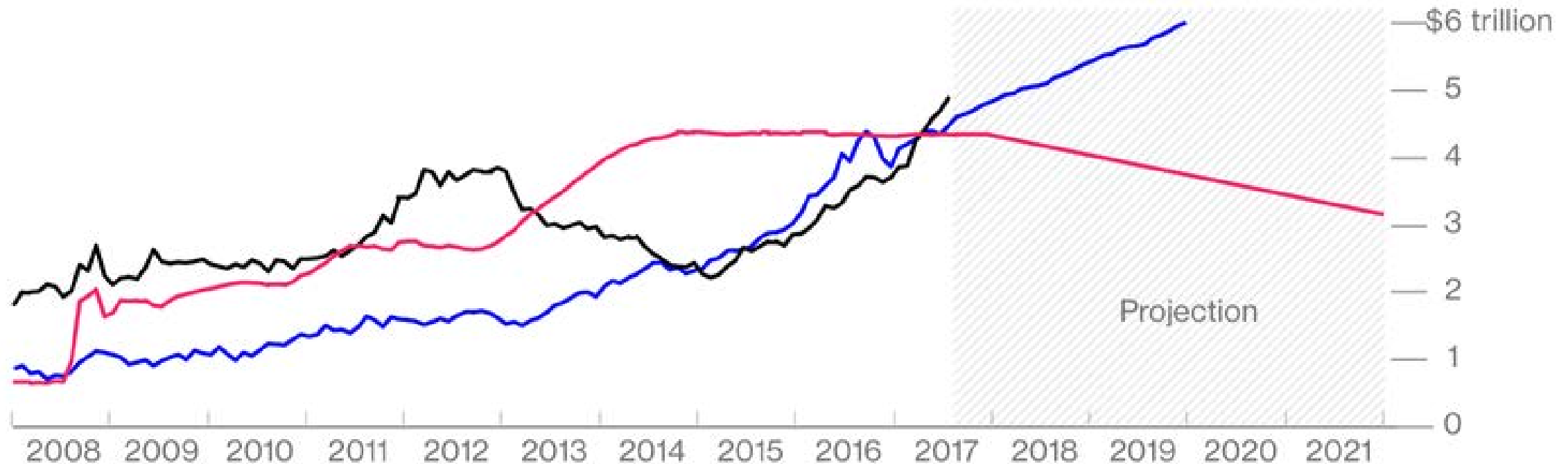




# Central Banks Balance Sheets

Japan moving into uncharted waters

■ Bank of Japan ■ European Central Bank ■ Federal Reserve



Note: BOJ projection assumes the yen-dollar exchange rate remains at the current level and the BOJ's asset holdings continue to increase at the current level.

The Fed. forecast is the baseline scenario from the 2016 annual report, and assumes that balance sheet normalization begins in January 2018.

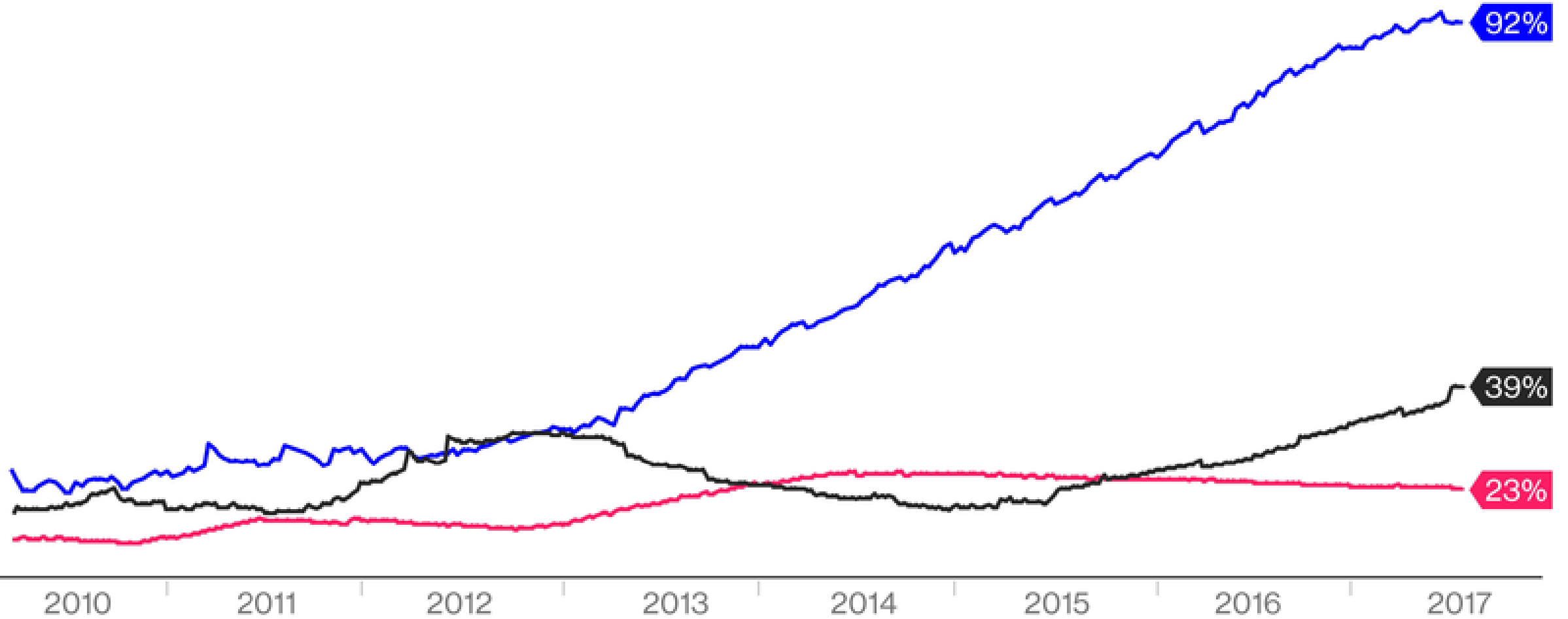
Source: BOJ, ECB, Fed data compiled by Bloomberg

**Bloomberg**

# BOJ Is Biggest Fish in QE Pond

Total assets on central bank balance sheet as a percentage of GDP

■ Bank of Japan   ■ European Central Bank   ■ Federal Reserve

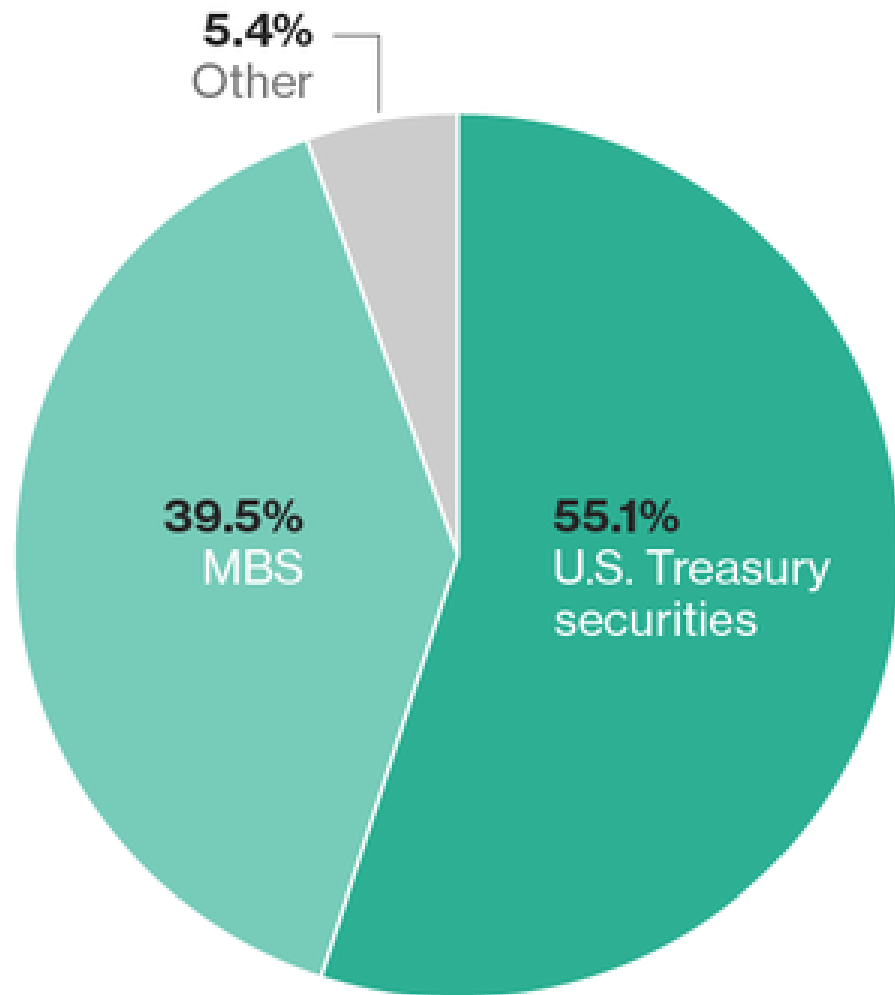


Source: BOJ, ECB, Fed data compiled by Bloomberg

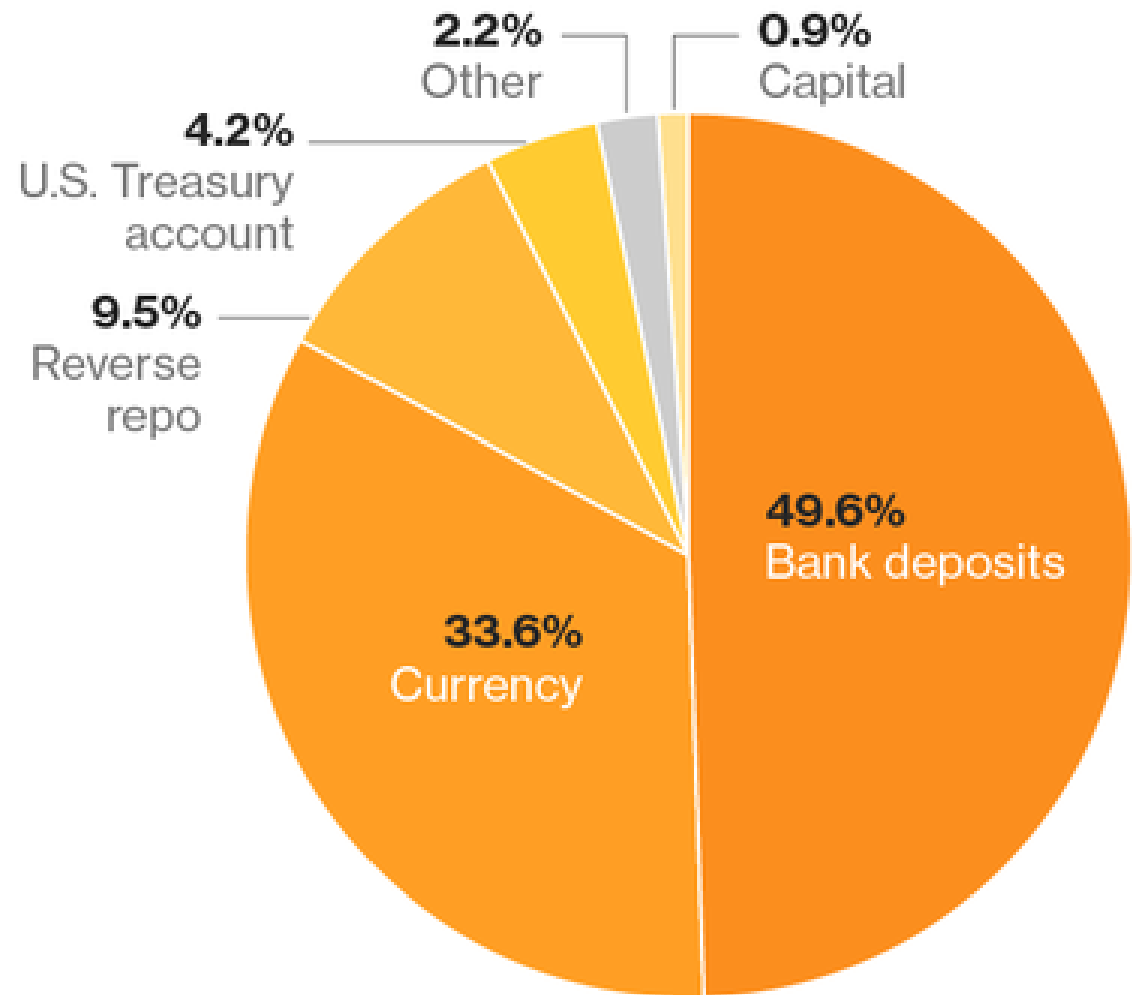
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# Federal Reserve Balance Sheet

## Assets



## Liabilities

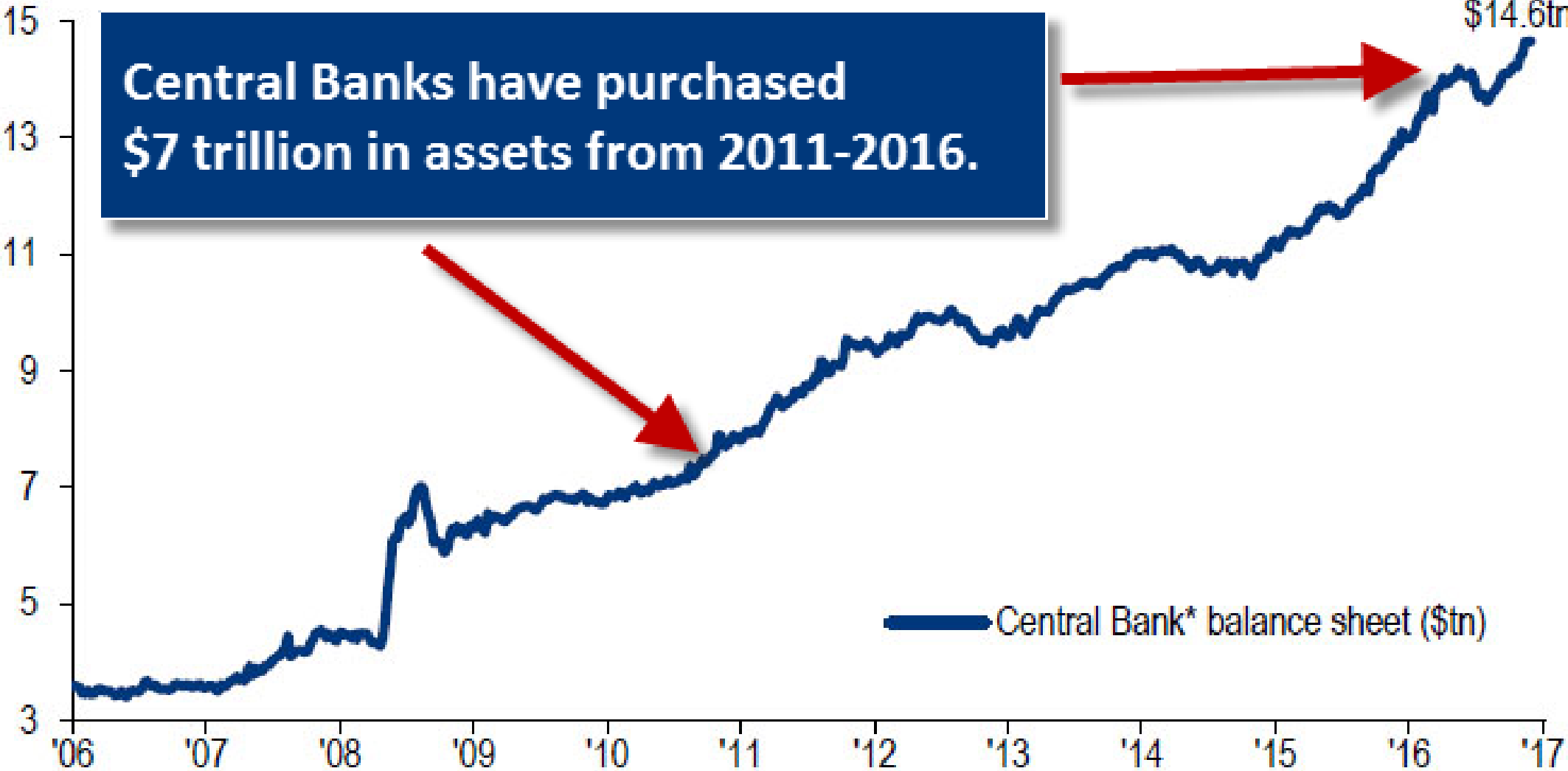


Source: Federal Reserve





**Chart 1: Central banks have bought \$1tn in assets YTD**

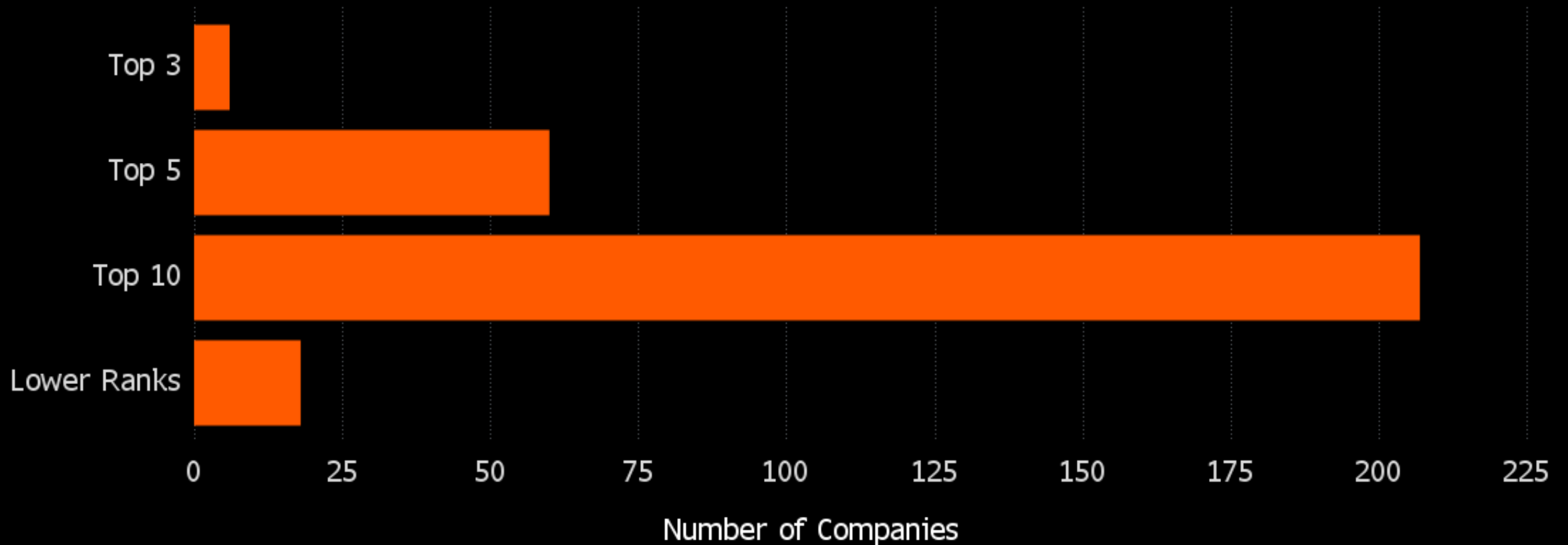


Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg; \* ECB + Fed + BoJ + BoE + SNB



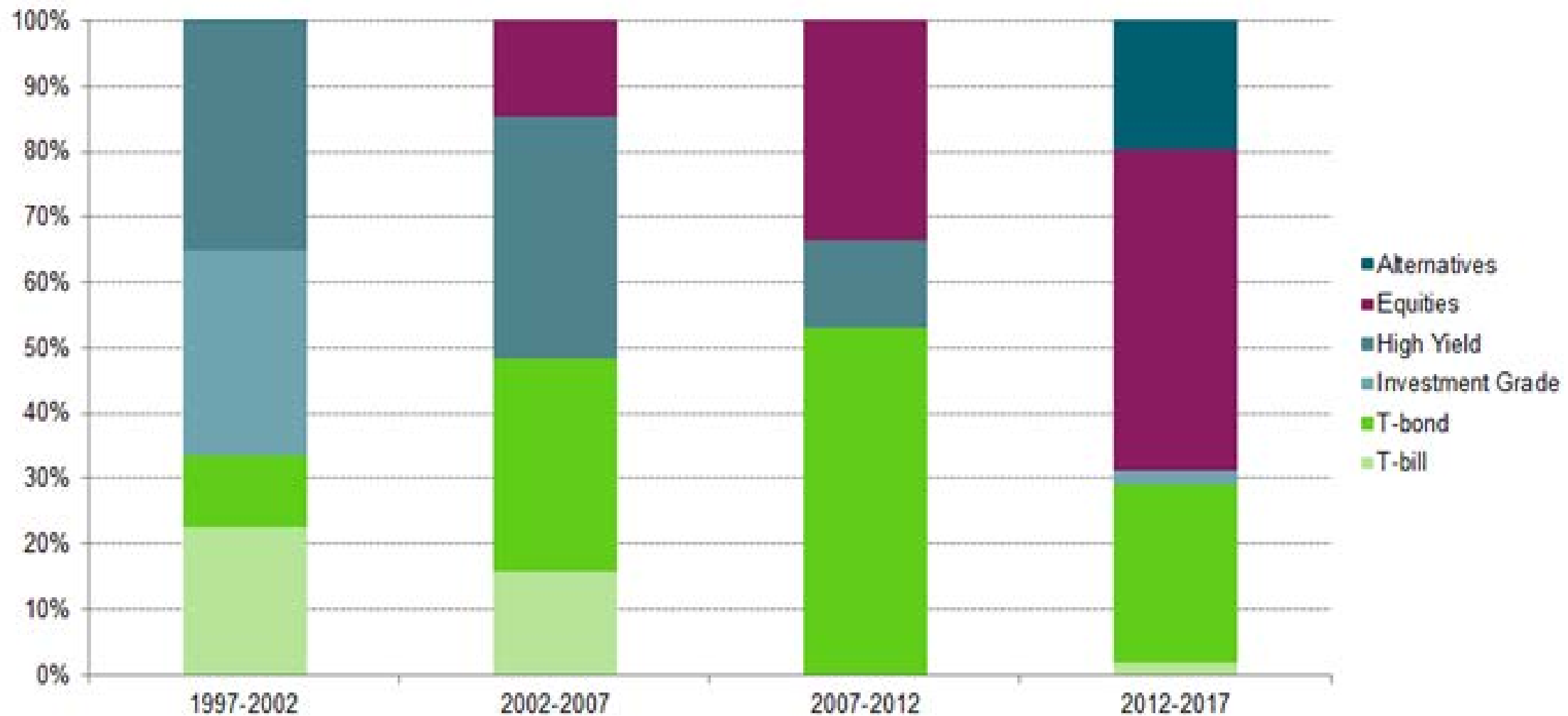
# BOJ is a Top 10 Shareholder in About 90% of Nikkei 225

Estimate of central bank's shareholder rankings of firms in the index



Sources: Bank of Japan, Investment Trusts Association data, company data, Bloomberg

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Expected return	7,0%	7,0%	7,0%	7,0%
Standard deviation	7,8%	7,9%	16,1%	12,3%

