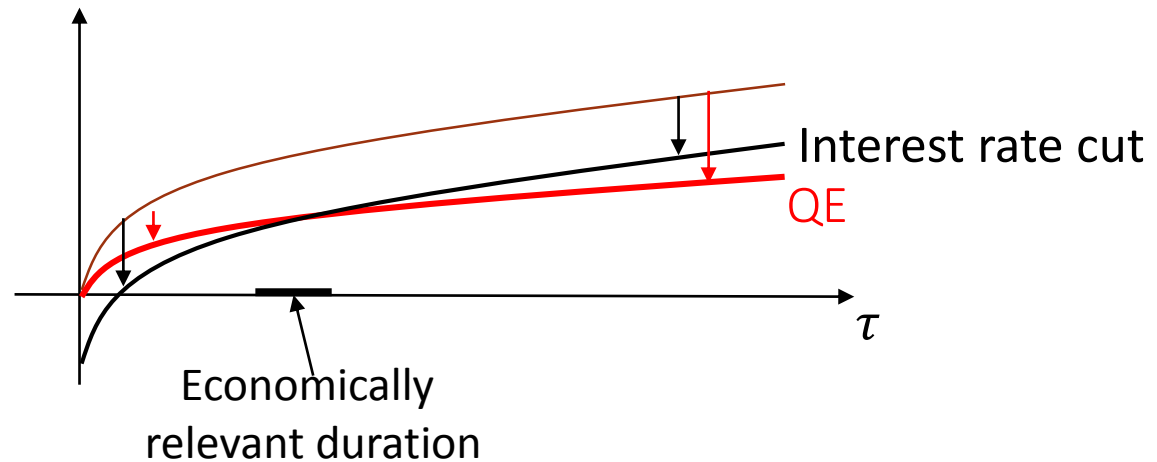


Interest rate cuts vs. QE/Forward Guidance

- Mainstream: QE = interest rate cut below 0



- I Theory view: different distributional implications across and within financial sector
 - banks borrow short and lend long
 - insurance/pension funds companies
 - households – depends on mortgage market

Bottleneck MoPo: Whose balance sheets are impaired?