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# Nikkei extends decline after BOJ stands pat



Japan's stocks extended their decline on Tuesday afternoon after the central bank's decision to leave its main policies unchanged pushed the yen higher, which drove exporter shares lower.

The Nikkei share average was down as much as 1 percent to 17,063.10 following the BOJ's announcement. The U.S. dollar weakened against the yen after the Bank of Japan's decision shifted investors' focus to Wednesday's Federal Reserve meeting, putting downward pressure on Japan's benchmark index, which is packed with exporters that have come to rely on yen weakness.

Shares of Panasonic Corp fell 1.5 percent in early afternoon trade while Bridgestone Corp slipped 0.8 percent and Toyota Motor Corp declined 1.2 percent.

"We've seen a bit of a leg down on the firmer yen, but the outcome of the BOJ meeting is basically what we've all been expecting," said Gavin Parry, managing director at Parry International Trading.

"It is noteworthy that they've removed language saying that they might cut interest rates further if necessary, and that they've decided to exclude (money-reserve funds) from negative interest rates starting in May."

Traders said the outcome of the BOJ's meeting was less surprising than the apparent impact of expectations surrounding Wednesday's Fed meeting in the U.S.

"It is interesting to see how the Fed is having some inadvertent sway over the success of Japan's negative interest rates policy," said Martin King, co-managing director at Tyton capital Advisors.

The broader Topix fell 0.6 percent to 1,372.00 with all but four of its 33 subindexes in negative territory.

The JPX-Nikkei Index 400 slid 0.7 percent to 12,396.82. (Reporting by Joshua Hunt; Editing by Sam Holmes)



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