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This map shows all the central banks with negative interest rates

The Bank of Japan is the latest central bank to move its deposit rate into negative territory

By Joseph Adinolfi, Published: Jan. 29, 2016 at 1:02 p.m. ET

Central banks with negative interest rates



Source: Central bank websites

The Bank of Japan on Friday became the latest central bank to move its deposit rate into negative territory.

By doing so, the BOJ thrust the theme of [monetary-policy divergence](#)—which market strategists pointed to as the main driver behind the dollar's aggressive rally between the summer of 2014 and early 2015—back into the spotlight.

You can read more about the [significance of the Bank of Japan's decision here](#).

Negative interest rates are an ultramodern phenomenon; the product of a global financial system still struggling to reinvigorate economic growth in the wake of the global financial crisis.

The era of negative interest rates began in July 2012 when the Denmark National Bank set its deposit rate below zero to protect its economy from an influx of hot money as the eurozone debt crisis escalated.

In June 2014, the European Central Bank became the first major central bank to adopt negative rates when it cut the interest rate on its deposit lending facility below zero. A second cut followed a few months later—then, in December 2015, the ECB cut it again to its current level (minus 0.3%). [The Swiss National Bank](#) first set its deposit rate below zero in December 2014. Sweden's Riksbank cut its deposit rate below zero in February 2015.

At the European Central Bank's January meeting, ECB President Mario Draghi hinted that the central bank might further loosen monetary policy at its March meeting.

Draghi's monetary-policy intentions aren't precisely clear, but it wouldn't be a bad wager to guess that more rate cuts may follow soon, if not other modes of stimulus.