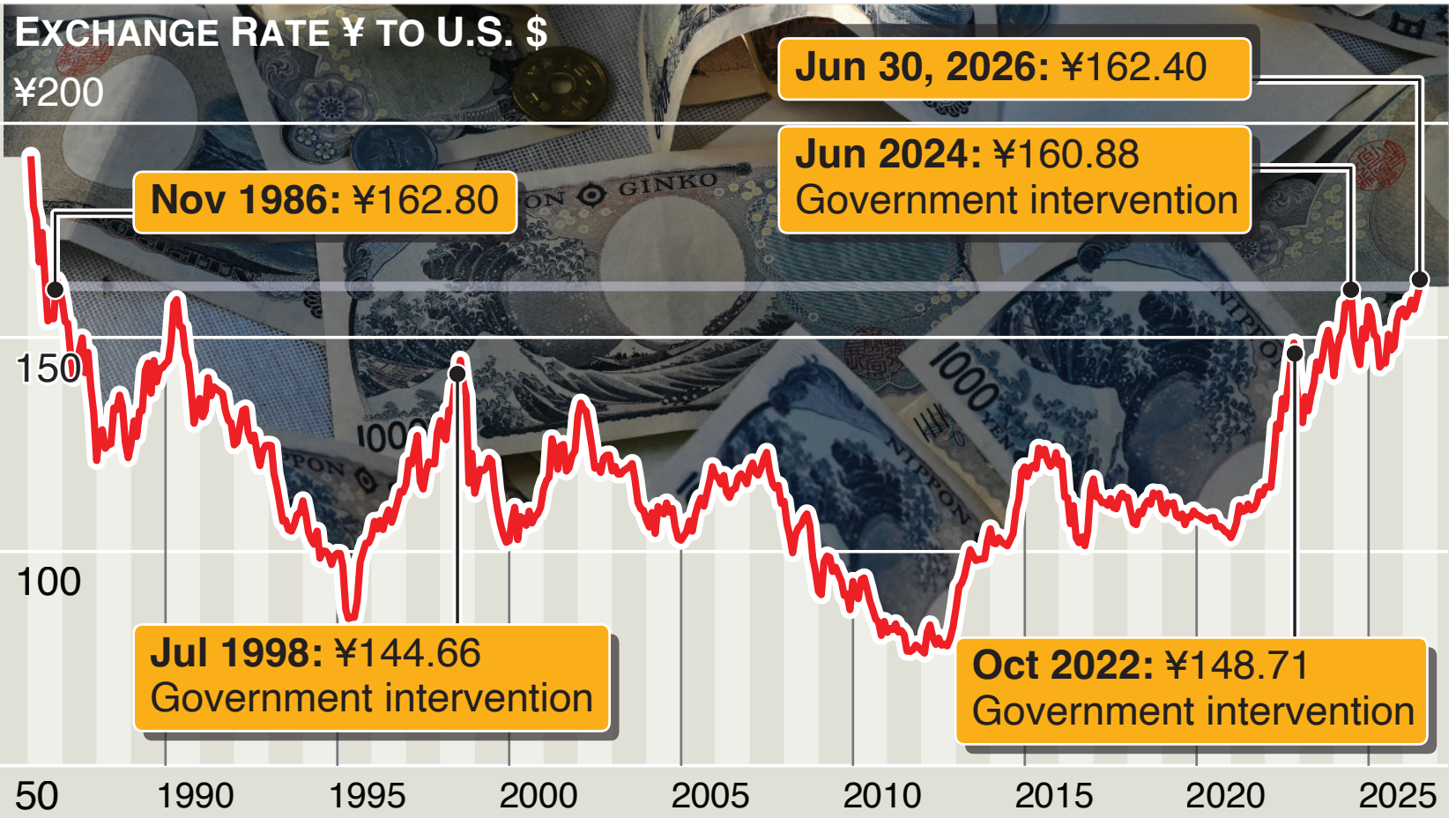
Yen hits 40-year low against U.S. dollar

The Japanese Yen hit its weakest level against the dollar in 40 years, raising the likelihood of government intervention – but while consumer costs are rising, the low yen is boosting exporters' profits



YEN WEAKNESS

International interest rates %

Japan	1
Canada	2.25
EU	2.4
South Korea	2.5
China	3
UK	3.75
U.S	3.75

Borrowers of yen invest in high-yielding assets elsewhere

Government debt to GDP %

Japan	204.4
U.S	125.8
Canada	110.7
China	106.9
UK	103.6
EU*	87.8
Korea	54.4

Highest among major economies coupled with persistent budget deficits

Euro area average

Capital outflows keeps pressure on Yen

Sources: Bloomberg, IMF, Trading Economics

Picture: Getty Images

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