

Market Operation Measures following the Monetary Policy Decision Today

In accordance with the guidelines for market operations decided at the Monetary Policy Meeting today, the Bank of Japan has decided to implement following measures in its conduct of market operations.

1. Amounts of outright purchases of Japanese Government Bonds (competitive auction method)

The Bank has revised the ranges of the amount of purchases through September 2023 and set the auction dates for August, as shown in "Quarterly Schedule of Outright Purchases of Japanese Government Bonds (Competitive Auction Method) (July-September 2023) <Revised>" published on July 28, 2023. The purchase size per auction will continue to be set in a flexible manner, taking account of market conditions.

2. Conduct of fixed-rate purchase operations for consecutive days

(1) Fixed-Rate Purchase Operations of three on-the-run issues of 10-year JGBs

From now on,¹ in the auction announcement for fixed-rate purchase operations of three on-the-run issues of 10-year JGBs which the Bank will make on every business day, unless it is highly likely that no bids will be submitted, the Bank will set a fixed rate to be applied in the auctions at 1.0 percent.² In principle, the bonds with the highest yield between three on-the-run issues will be purchased at the fixed rate of 1.0 percent.

(2) Fixed-Rate Purchase Operations of the Cheapest-to-Deliver Issue for Consecutive Days

From now on,¹ in the auction announcement for fixed-rate purchase operations of the 10-year JGBs #360 for consecutive days which the Bank will make for an extended period of time, the Bank will set a fixed rate to be applied in the auctions at 1.0 percent.³

- Notes: 1. From the fixed-rate purchase operations in the afternoon on July 28, 2023. The purchase size per auction will continue to be unlimited.
2. The measures specified in "1. Regarding the Conduct of the SLF" of the "Market Operations for Three On-the-Run Issues of 10-year Japanese Government Bonds" published on February 16, 2023, will remain effective, and the Bank will implement these measures for the three on-the-run issues of 10-year Japanese government bonds to which the implementation is deemed necessary.
3. "Relaxation of the Terms and Conditions for the Securities Lending Facility for the Cheapest-to-Deliver Issues" published on May 30, 2023, will remain effective.

3. Other ad hoc measures

In addition to 1 and 2, when deemed necessary, the Bank will make nimble responses for each maturity by, for example, increasing the amount of JGB purchases and conducting fixed-rate purchase operations and the Funds-Supplying Operations against Pooled Collateral.