

Measures to Cope with Tighter Supply and Demand Conditions of Japanese Government Securities in the Repo Market at the End of March

Considering recent developments in the repo market, tighter supply and demand conditions of Japanese government securities (JGSs) in the market are expected toward the end of this March. For this reason, the Bank of Japan will implement the following temporary measures in order to ease supply and demand conditions of JGSs in the repo market.

1. Offers for sales of JGSs with repurchase agreements intended to provide the market with JGSs

On March 24, the Bank will announce offers for sales of JGSs with repurchase agreements, with the exercise date as March 27 and the repurchase date as April 3. In addition, on and after March 27, the Bank will announce offers for sales of JGSs with repurchase agreements, the repurchase date for which will be after the end of March, as needed.

(Note) Please refer to the “Operation Timetable” which is already released, for information about the time schedule for offer.

2. Relaxation of the upper limit on the number of issues of JGSs to be requested through the Securities Lending Facility (SLF)

For the SLF to be offered between March 31 and April 7, the Bank will temporarily relax the upper limit on the number of issues of JGSs, allowed to be requested by a counterparty per auction, from 20 issues to 30 issues.

(Note) The Bank may change the time schedule for offer and notification of respective results to auction participants, when deemed necessary for smooth conduct of the SLF during the period mentioned above. In such a case, the Bank will separately inform each counterparty of the change.

3. Suspension of offers for outright purchases of treasury discount bills (T-Bills) during March

The Bank will not announce offers for outright purchases of T-Bills conducted as part of money market operations during this March.