

October 30, 2026

Bank of Japan

Statement on Monetary Policy

1. Guideline for money market operations (an 8-1 majority vote)^[Note]

At the Monetary Policy Meeting (MPM) held today, the Policy Board of the Bank of Japan decided to set the following guideline for money market operations for the intermeeting period:

The Bank will encourage the uncollateralized overnight call rate to remain at around 1.25 percent.

2. Change in the pace of sales of exchange-traded funds (ETFs) (a unanimous vote)

At the MPM held in September 2025, the Bank, drawing on its experience of the smooth conduct of sales of the "stocks purchased from financial institutions" through July 2025, decided to sell its ETF holdings for the time being at a scale generally equivalent to that of the sales of the "stocks purchased from financial institutions" (the sales amount accounted for about 0.05 percent of the trading value in the market at the time), and set the pace of sales at about 330 billion yen per year (on a book value basis).

The Bank started its sales of ETFs in January 2026, and has been conducting these sales smoothly while avoiding a major impact on the market. Meanwhile, the trading value in the stock market has been expanding. Given these developments, at the MPM held today, the Bank decided to sell its ETF holdings at a scale of about 0.1 percent of the trading value in the market, and set the pace of sales at about 860 billion yen per year (on a book value basis).^{1,2,3,4}

¹ The pace of sales is calculated using the trading value in the Tokyo Stock Exchange Prime Market from January to September 2026 and the market-to-book ratio of the ETFs sold by the Bank during the same period. If the annual sales amount is converted to market value using the same ratio, it would be about 2,460 billion yen.

² The change will be implemented in January 2027.

³ A temporary adjustment in the sales amount or a suspension of sales may be made within the range of the annual sales pace in response to changes in financial market conditions. (This remains the same as before.)

⁴ The pace of sales of Japan real estate investment trusts (J-REITs) will remain at about 5 billion yen per year (on a book value basis).

[Note] Voting for the action: UEDA Kazuo, HIMINO Ryoza, UCHIDA Shinichi, TAMURA Naoki, KOEDA Junko, MASU Kazuyuki, ASADA Toichiro, and SATO Ayano. Voting against the action: TAKATA Hajime. Takata Hajime considered that, with underlying CPI inflation having reached the price stability target, the situation had shifted to a new phase in which the Bank needs to step up the pace of bringing the policy interest rate closer to the neutral interest rate so that it could make nimble responses. He proposed that the Bank set the guideline for money market operations as follows: the Bank would encourage the uncollateralized overnight call rate to remain at around 1.5 percent. The proposal was defeated by a majority vote.

Reference

Meeting hours:

Thursday, October 29: 14:00-16:00

Friday, October 30: 9:00-11:55

Policy Board members present:

UEDA Kazuo, Chairman (Governor)
HIMINO Ryoza (Deputy Governor)
UCHIDA Shinichi (Deputy Governor)
TAKATA Hajime
TAMURA Naoki
KOEDA Junko
MASU Kazuyuki
ASADA Toichiro
SATO Ayano

[Others present]

October 29

From the Ministry of Finance:

NAKAYAMA Mitsuteru, Deputy Vice-Minister for Policy Planning and Coordination
(14:00-16:00)

From the Cabinet Office:

TSUTSUMI Masahiko, Director-General for Economic and Fiscal Management (14:00-16:00)

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From the Ministry of Finance:

SHINDO Kanehiko, State Minister of Finance (9:00-11:29, 11:39-11:55)

From the Cabinet Office:

TANIGAWA Tomu, State Minister of Cabinet Office (9:00-11:29, 11:39-11:55)

Release dates and times:

Statement on Monetary Policy -- Friday, October 30 at 12:02

Outlook for Economic Activity and Prices (Outlook Report)

The Bank's View -- Friday, October 30 at 12:02

Full text -- Monday, November 2 at 14:00

Summary of Opinions -- Tuesday, November 10 at 8:50

Minutes of the Monetary Policy Meeting -- Wednesday, December 23 at 8:50