

Market Operations toward the End of March

Considering the recent unstable movements in global financial and capital markets, the Bank of Japan has decided to implement the following measures in order to ensure stability in financial markets toward the end of this March.

1. Provision of ample liquidity

Starting from the next week, the Bank will provide ample liquidity using market operations with long maturities such as Funds-supplying operations against pooled collateral and purchases of Japanese government securities (JGSs) with repurchase agreements that matures over the end of this March. Also, considering rapid decrease of liquidity in bond markets, the Bank conducted unscheduled outright purchase of Japanese government bonds (JGBs) today, which was not scheduled beforehand. The Bank will continue to conduct additional outright purchases of JGBs as needed, taking account of market conditions.

2. Measures to maintain stability of the repo market

In order to ensure stability in the market by easing excessive tightening in supply and demand of JGSs in the repo market toward the end of this March, the Bank will implement the following temporary measures.

(1) Increasing number of issues of JGSs offered in the Securities Lending Facility (SLF)

For the SLF to be offered between March 16 and April 3, in principle, the Bank will offer all available JGSs held by the Bank. Meanwhile, requests for issues of JGSs by counterparties in advance will be unnecessary.

(2) Offers of sales of JGSs with repurchase agreements intended to provide the market with JGSs

On March 25, the Bank will announce offers for sales of JGSs with repurchase agreements, with the exercise date as March 31 and the repurchase date as April 1. The Bank will announce additional offers for sales of JGSs with repurchase agreements, as needed.