

Macro Roundup Article

Headline: [BoJ Finally Corners 10-Year JGB Market](#)

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Author(s)	Robin Wigglesworth
Publication	Financial Times
Publication Date	February 28, 2023

Tweet: [. @RobinWigg](#) notes a Deutsche Bank report that the Bank of Japan may have purchased "more than 100 per cent of some Japanese government bonds" after accounting for bonds the bank lends to short sellers and subsequently repurchases.

Summary: Deutsche Bank's tidbit that the BoJ "may" have bought more than 100 per cent of some Japanese government bonds, as it buys the JGBs, lends them out again to ensure the market still has some supply, short sellers borrow it and dump them in the market, only for the BoJ to buy it once more. Here is a killer chart from Oxford Economics' Norihiro Yamaguchi that puts more flesh on the bone. After buying a record ¥20tn of JGBs last month, the BoJ now owns more than 100 per cent of all on-the-run 10-year Japanese government bonds. In fact, it owns almost 140 per cent of the most recent issue.

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