

Document 0210

[20210001]

A bitter conflict with global implications has erupted between Nomura Securities Co. and Industrial Bank of Japan, two of the world's most powerful financial companies.

[20210002]

The clash is a sign of a new toughness and divisiveness in Japan's once-cozy financial circles.

[20210005]

What triggered the latest clash was a skirmish over the timing of a New Zealand government bond issue.

[20210007]

Unwilling to put up new money for New Zealand until those debts are repaid, most banks refused even to play administrative roles in the new financing, forcing an embarrassed Nomura to postpone it this week.

[20210008]

The dispute shows clearly the global power of Japan's financial titans.

[20210009]

Aside from Nomura's injured pride, the biggest victim so far has been the New Zealand government.

[20210010]

Barred by its budget law from making any new domestic bond issues, Wellington's Debt Management Office had been casting abroad to raise the 3 billion New Zealand dollars (US\$ 1.76 billion) to NZ\$ 4 billion it needs to come up with by the end of its fiscal year next June 30.

[20210011]

With Japan's cash-flush banks aligned against it, though, raising money may be difficult.

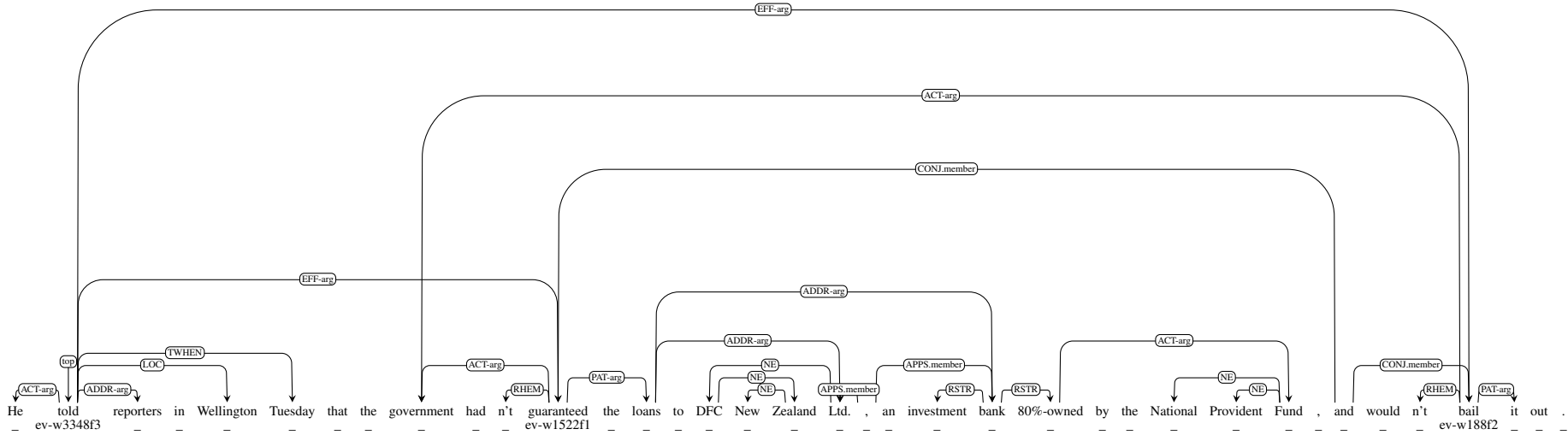
[20210012]

Not only can they block Wellington from raising money in Japan, bankers here say, but as the largest underwriters in the Eurobond market, they might be able to scuttle borrowings there, too.

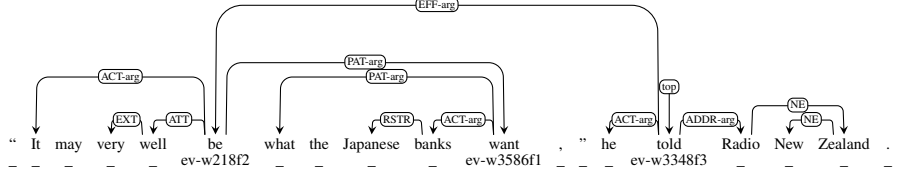
[20210013]

New Zealand's finance minister, David Cragg, lashed out at such suggestions.

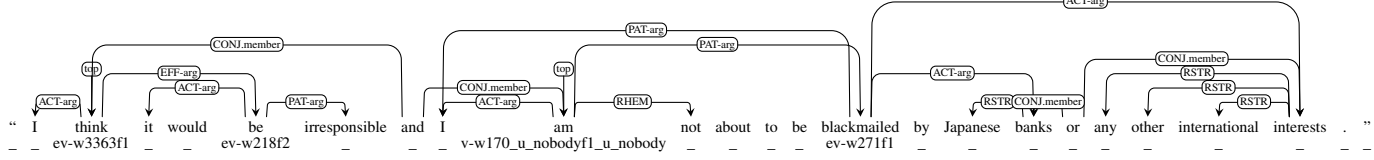
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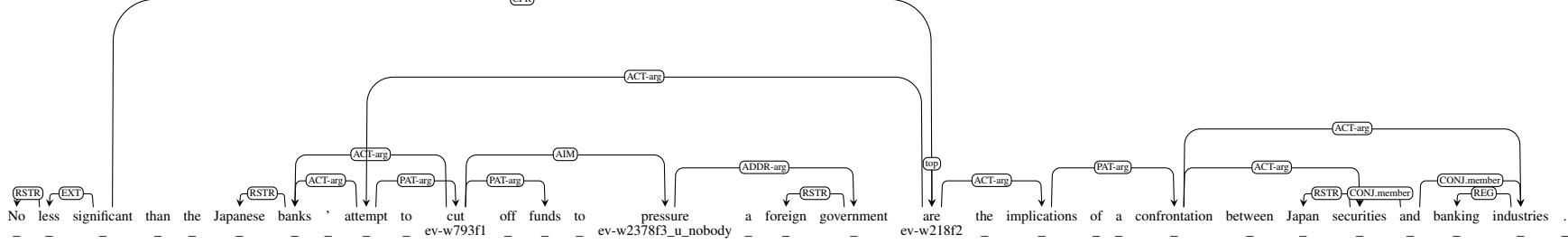
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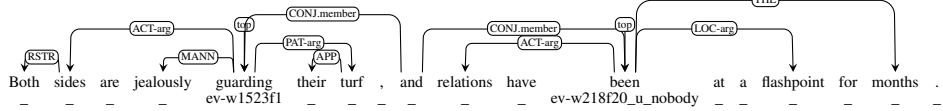
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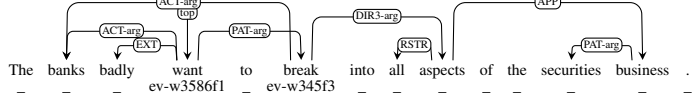
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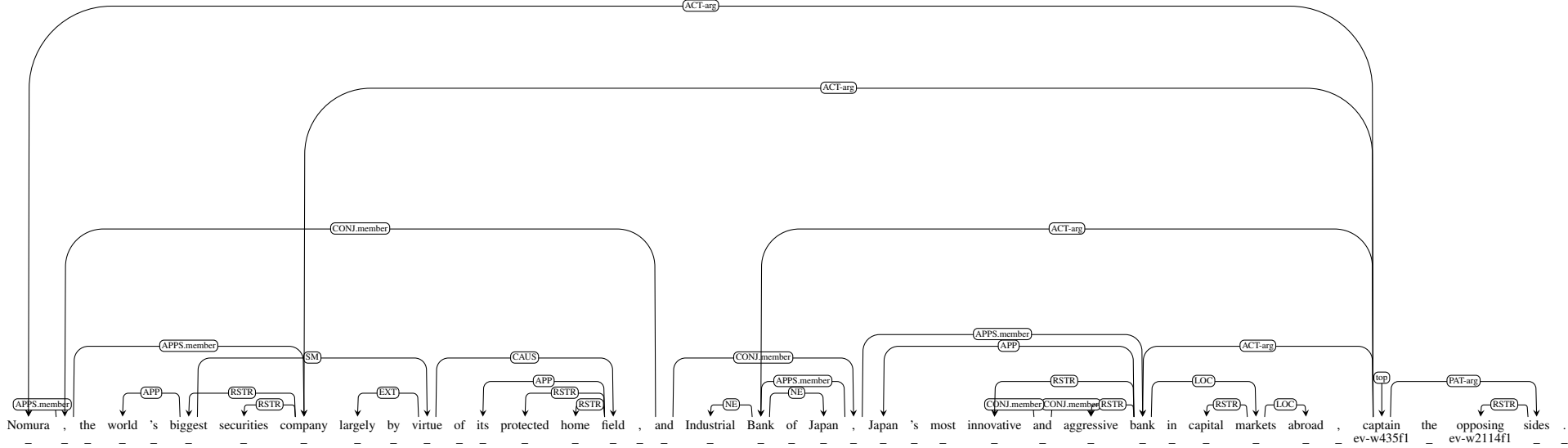
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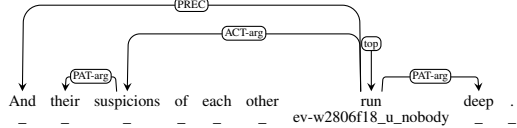
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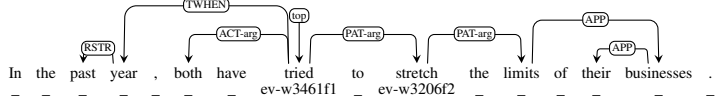
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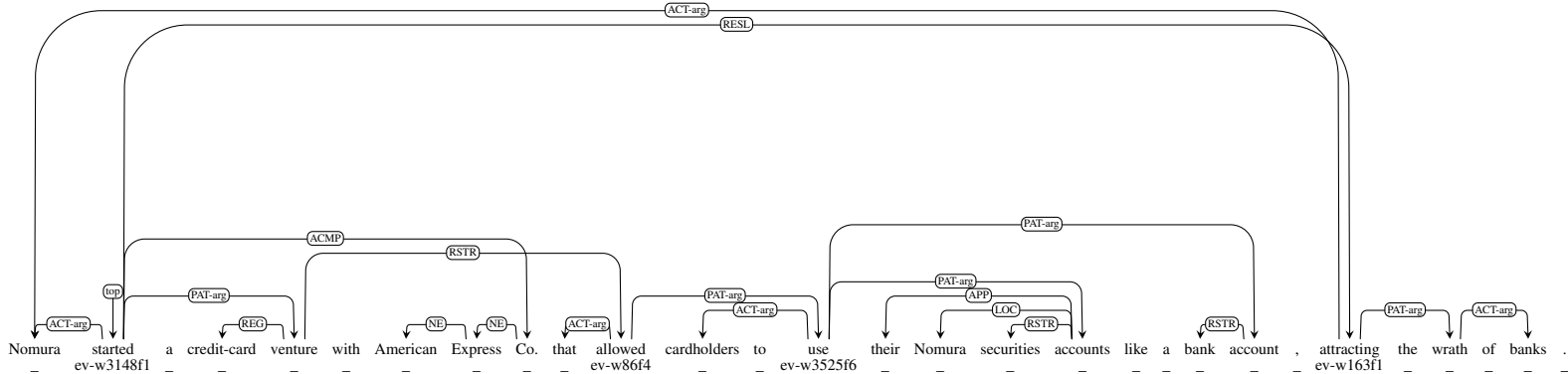
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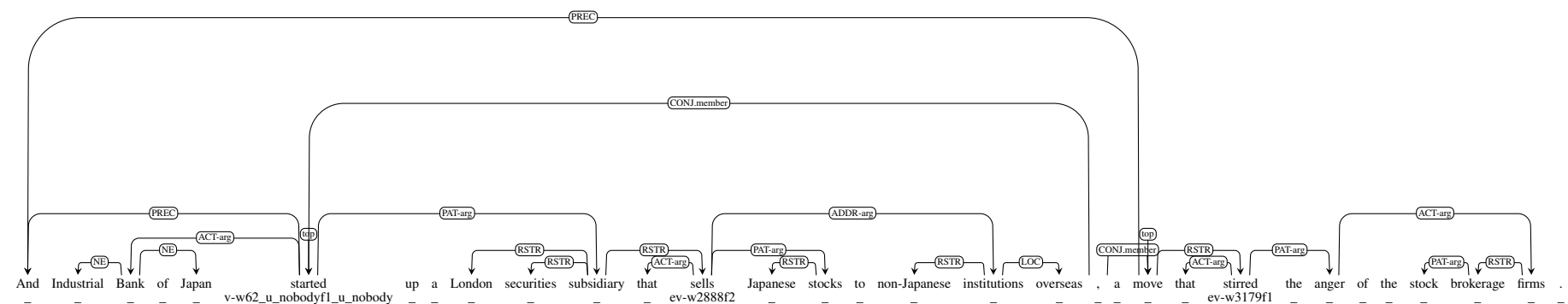
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