

BOJ rules out widening yield band to slow sharp yen fall

The Bank of Japan has no plan to allow long-term interest rates to move more widely around its 0% target to stem sharp falls in the yen, a central bank executive said on Tuesday, saying such a move would be tantamount to a rate hike.

The BOJ currently offers to buy unlimited amounts of 10-year Japanese government bonds (JGB) to defend an implicit 0.25% cap set around its 0% interest rate target, maintaining a dovish policy as part of efforts to reflate the economy.

However, steep falls in the yen as other economies eye rate hikes prompted market speculation the BOJ may widen the 50-basis-point band and tolerate further rises in long-term interest rates.

"We have no plan to widen the band," BOJ Executive Director Shinichi Uchida told parliament. "Doing so would be tantamount to an interest rate hike" and therefore undesirable for the economy, he added.

The remarks underscore the BOJ's resolve to maintain its massive stimulus programme and keep ultra-loose interest rates, a stance that could further weaken the yen.

The yen hit a fresh 20-year low of 131.34 per dollar on Monday, before recovering to around 130.10 on Tuesday, as the BOJ policy runs counter to a global shift toward monetary tightening. Central banks in the United States, Britain and Australia raised rates last week.

G7 countries have agreed that exchange rates should be determined by markets, that disorderly movements can hurt economies, and that countries will consult on any actions they take in currency markets.

However, despite complaints by lawmakers, BOJ Governor Haruhiko Kuroda has stressed a weak yen is beneficial for the economy and will not trigger a rate hike.

In other News:

Sony's Q4 operating profit more than doubles, helped by gaming

Japan's Sony Group Corp said on Tuesday its fourth-quarter operating profit more than doubled to 138.6 billion yen (\$1.06 billion), helped by strong performance at its gaming and network services business.

Sony has also benefited from strong demand for its PlayStation 5 games console, which it is using to encourage online game downloads and sign-ups for subscription services.

Japan's Opn raises \$120 million

Digital payments processor Opn, formerly known as Synqa, said it had raised \$120 million in a Series C+ funding round, becoming a rare unicorn, or startup worth more than \$1 billion, in Japan.

The startup raised funds from the venture capital arm of the government-backed Japan Investment Corporation, Mitsubishi Financial Group with trade ministry guarantees, and tech investor Mars Growth Capital.

Opn, which has its registered headquarters in Tokyo and operational headquarters in Bangkok, said it will use the funds to expand its product line-up and push further into Southeast Asia as it rides the growth of digital payments in the region.

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