

# Markets braced for intervention as yen nudges key 150 level

Japanese Finance Minister Shunichi Suzuki on Thursday vowed to take "appropriate steps" against excessive currency market volatility, renewing his threat of intervention as the yen slides to a 32-year low and towards the key barrier of 150.

The Bank of Japan, for its part, ramped up efforts to defend its 0% bond yield cap on Thursday with offers of emergency bond buying, in a show of resolve to maintain the ultra-low interest rate policy that is blamed for pushing down the yen.

The central bank's step underscores the dilemma Tokyo faces in trying to contain unwelcome yen falls, without resorting to interest rate hikes that could derail Japan's fragile recovery.

"Recent rapid and one-sided yen declines are undesirable. We absolutely cannot tolerate excessively volatile moves driven by speculative trading," Suzuki told parliament on Thursday.

"We will continue to take appropriate steps against excess volatility, while watching currency market developments with a strong sense of urgency," he said.

The government, which holds jurisdiction over currency policy, spent 2.8 trillion yen (\$19 billion) in dollar-selling, yen-buying intervention last month when authorities acted in the markets to prop up the yen for the first time since 1998.

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