

# MARKET UPDATE

**29/03/2024**

## Japan flags 'speculative' yen moves.

Japanese Finance Minister Shunichi Suzuki said on Friday there were "speculative" moves behind recent yen declines, suggesting authorities remained on stand-by to intervene in the market to address any excessive falls in the currency.

Suzuki also said authorities were watching the speed, rather than the levels, of the yen's moves. He repeated Tokyo's recent warnings that authorities would not rule out any steps to respond to disorderly currency moves.

"Given how the yen's declines are continuing despite the interest rate gap narrowing, albeit modestly, suggest that there are speculative moves in the market," Suzuki told parliament.

"It's important for currency rates to move stably, reflecting fundamentals. Excessive volatility is undesirable, and we are watching market moves from this perspective," he said.

With the BOJ's policy rate still stuck around zero, expectations the gap between U.S. and Japanese interest rates will remain wide are giving traders an excuse to keep selling yen, analysts say.

## Japan's Nikkei posts biggest point gain for fiscal year.

Japan's Nikkei share average ended higher on Friday, driven by chip-related heavyweights, and posted a record fiscal-year gain in terms of points amid heavy foreign buying.

The index hit successive record highs this month, after breaking levels on Feb. 22 last seen in 1989 during the country's bubble economy.

The rally was supported by foreign buying on a weaker yen and expectation that the Bank of Japan will stick with loose monetary policy.

The index rallied 12,328 points in the fiscal year ending on Friday, marking its biggest gain on an absolute basis. It rose 44% in the year, the most since the financial year ended March 2021.



## Mazda and Panasonic's energy unit sign auto battery supply agreement.

Japanese automaker Mazda Motor (OTC:MZDAY) and the energy unit of Panasonic (OTC:PCRFY) Holdings said on Friday they have signed an automotive battery supply agreement.

The deal comes out of talks about a battery supply partnership for electric vehicles that Mazda and Panasonic Energy started in June last year. Panasonic Energy also makes batteries for Tesla (NASDAQ:TSLA).

Mazda and Panasonic Energy said in a joint statement they will disclose at an appropriate time details of the partnership for the supply of cylindrical automotive lithium-ion batteries.

The agreement is likely to help Mazda step up production of EVs as part of a 1.5 trillion-yen (\$9.9 billion) spending plan it unveiled in late 2022.

Panasonic Energy has also been in talks with Japanese automaker Subaru (OTC:FUJHY) to set up a separate partnership for the supply of cylindrical automotive lithium-ion batteries.

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