

## Yen jumps on reports BoJ warming to rate rise

The yen rose to a fresh five-week high on Friday after reports the Bank of Japan is warming to the idea of raising interest rates and considering a new quantitative monetary policy framework.

Jiji news agency reported the BoJ is considering a framework that will show the outlook for upcoming government bond buying amounts.

Separately, Reuters reported a growing number of BoJ policymakers could support ending negative interest rates this month on expectations that this year's annual wage negotiations will yield strong results, four sources familiar with its thinking said.

The yen rose 0.74% against the dollar to 146.95 yen, its highest level since early February. It is up 2% on the week, its strongest weekly percentage rise since mid July as policymakers have noted signs of positive wage-price cycle sustaining inflation - setting the stage for Japan's first interest rate increase in 17 years.

"The yen is rising as speculation mounts that the BoJ will buck the global central bank trend and hike interest rates later this month," said Kathleen Brooks, research director at XTB.

"In the short term, a powerful downtrend seems to be building for USD/JPY, and we believe that this pair could test 145.00, especially if we see a moderation in U.S. payrolls growth later today," she added.

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