

# Japan's Financial Pulse: Yen's Plunge, BoJ Rate Hikes, and Record Nikkei High

Japan Finance · Answer Key · 10 Questions

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**1. What is the current approximate policy interest rate set by the Bank of Japan following their recent monetary policy meeting?**

- A) 0.75%
- B) 1.00%**
- C) 1.25%
- D) 1.50%

**2. As of mid-June 2026, the Japanese yen has weakened to levels not seen since which year, prompting intervention concerns?**

- A) 1986**
- B) 1995
- C) 2001
- D) 2011

**3. Which major geopolitical event has been a significant factor influencing oil prices and, consequently, Japan's import costs and inflation concerns this week?**

- A) The ongoing trade dispute between the US and China.
- B) The G7 summit's decisions on climate change.
- C) The framework agreement reached between the US and Iran to end their war.**
- D) A major earthquake in Southeast Asia.

**4. What was the approximate weekly gain for Japan's Nikkei 225 index, marking its sharpest performance in nearly two years as of June 21, 2026?**

- A) 3.5%
- B) 5.2%
- C) 7.9%**
- D) 10.1%

**5. According to recent data, Japan's core inflation rate (excluding fresh food) in May 2026 remained unchanged at what percentage, remaining below the BOJ's target?**

- A) 0.8%
- B) 1.4%**
- C) 2.0%
- D) 2.5%

**6. Which sector has been a primary driver of the recent surge in Japanese equities, contributing to consecutive record highs for the Nikkei 225?**

- A) Automotive manufacturing
- B) Traditional banking
- C) Artificial Intelligence (AI) and semiconductors**
- D) Real estate development

**7. What was the benchmark 10-year Japanese Government Bond (JGB) yield around June 19, 2026, reflecting easing inflation concerns after the US-Iran peace deal?**

- A) 2.15%
- B) 2.58%**
- C) 2.90%
- D) 3.30%

**8. Despite the Bank of Japan's rate hike, the Japanese yen continues to weaken significantly. What is a primary reason cited for this persistent weakness?**

- A) Increased foreign direct investment into Japan.
- B) A widening policy divergence with the US Federal Reserve, which is signaling potential rate hikes.**
- C) A strong export performance boosting demand for the yen.
- D) A decrease in Japan's trade deficit.

**9. Bank of Japan Deputy Governor Ryozi Himino recently stated that the central bank will continue raising interest rates while monitoring the risk of underlying inflation exceeding what target percentage?**

- A) 1.0%
- B) 1.5%
- C) 2.0%**
- D) 2.5%

**10. Which specific event on June 15, 2026, led to a significant rally in Japanese equities and a tumble in government bond yields due to relief across markets?**

- A) The release of stronger-than-expected Japanese GDP data.
- B) The Bank of Japan announcing a larger-than-anticipated interest rate hike.
- C) News that the United States and Iran had agreed on a framework to end their war.**
- D) A surge in corporate earnings reports from major Japanese tech companies.