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Who Holds the Long End

Japan's Intervention, Treasury's Buybacks, and the Absorption of U.S. Duration After August 2026

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The reserved seats are empty. Someone in the back is still bidding, and he is naming the price.

Abstract. Between July 30 and August 26, 2026 Japan spent ¥15.4 trillion — roughly $97 billion — defending the yen, the amount disclosed by its Ministry of Finance on August 28. Its reserve template for August shows what changed over the month: securities holdings fell $87.8 billion and deposits $6.9 billion, while the securities it has lent or placed on repo changed by $2 billion and the Federal Reserve's repo line for foreign official institutions, which Japan's finance minister had named on August 1 as the funding channel for future intervention, stayed at zero every week. The largest foreign holder of U.S. Treasuries ran down its securities stock by an amount comparable to the intervention while the announced borrowing channel recorded no usage; the template does not identify what was sold, matured, or repriced, and the intervention period began two days before the channel was named. In the same weeks the U.S. Treasury raised the ceiling on its long-end buybacks to at least $4 billion an operation for seven scheduled operations, and on September 3 bought back $12.5 billion of one-month-to-two-year paper — the full cap, against $28 billion offered. The Federal Reserve, meanwhile, has added $350 billion of bills and $35 billion of coupons over the past year; the measured growth in foreign official holdings in 2025 was ninety-six percent bills, and measured official bill holdings fell faster than coupons in the first half of 2026; and Treasury's own guidance leaves coupon sizes fixed for several quarters, so any increase in borrowing beyond the fixed coupon calendar lands in bills. This paper assembles those published facts into one ledger of who is absorbing U.S. duration and who is shedding it, states what each line does and does not identify, and gives the reader the dashboard and release calendar needed to keep the ledger current without this paper. Eight markers are registered, each with its own scoring date from November 2026 through April 2027.

JEL: E58, E63, F31, F34, G12, H63. **Keywords:** Treasury absorption; foreign exchange intervention; Treasury buybacks; FIMA repo; official reserves; custody; debt maturity; Japanese government bonds.

Disclosed conflicts. The author is Chief Executive Officer of Quantum Reserve Capital, which is developing QReST, a proposed payment stablecoin whose reserve model would hold short-dated Treasury bills. A shift of federal issuance toward bills, and any shortage of price-insensitive bill buyers, is directly favorable to that project's economics, and the reader should weigh Sections 4 and 5 with that interest in view. QRC's research book carries pre-registered gold and Treasury positions in paper capital only. The author holds no position in Japanese government bonds, the yen, or any security or institution named here, and receives no compensation from any of them.

Standing. Educational market commentary; not investment, legal, or tax advice. The author is not a licensed investment adviser. Every quantitative claim is sourced to a public release or derived from one, with the derivation and its assumptions in the text. Appendix A gives each value's provenance class.

Figures. The images in this paper are illustrative compositions generated for this series. They depict no real institution, building, or person, and no numeral, plaque, or inscription appearing within them carries analytical meaning.

1. What This Paper Is For

Three questions decide whether the U.S. long end clears at a price the Treasury can live with: who is buying duration, who is selling it, and which official channels stand between the two. Most public discussion answers all three from one number — the thirty-year yield, 5.25 percent on the data date after a nineteen-year high of 5.311 percent on August 17 — and infers flows from it. That inference fails. Prices are set by the marginal holder's reservation yield, not by the count of holders, and the two moved in opposite directions through 2025.

The published record now allows a better answer, because August 2026 produced disclosures that usually stay private: Japan's intervention total, its reserve composition month by month, Treasury's buyback schedule with a per-operation ceiling and floor, and a Federal Reserve balance sheet that reports foreign-official repo and custody weekly. This paper reads those releases as one ledger. It is organized around three measurement objects that the literature habitually conflates, and it keeps them apart throughout:

- **Japanese investor flow** — net transactions by Japanese residents, reported by the Bank of Japan and Ministry of Finance, monthly, by issuer country and instrument.
- **The Japan TIC position** — U.S. custodians' record of Treasury holdings attributed to Japan, a stock that includes non-residents booked through Japanese custodians and is marked at market.
- **Foreign-official custody at the Federal Reserve** — marketable Treasuries held for foreign official accounts at the New York Fed, weekly, excluding collateral pledged against the Fed's reverse repos.

A fourth object, new to the record, is Japan's own reserve template: securities, deposits, and securities lent or on repo, monthly, marked to market.

At the Dinner Table

Four people are describing the same family's money. One counts what the family bought and sold this month. One counts what is sitting in the family's safe-deposit box, at today's prices, including a cousin's things stored there. One is the bank teller who counts what the family keeps at the bank. And one is the family's own bookkeeper. They give four different numbers, all correct, and none of them is the others. This paper reads all four and says which one answers which question.

2. The Ledger: Who Absorbed and Who Shed U.S. Duration

2.1 Calendar 2025: official money went short, private money went long

The Treasury International Capital data for December 2024 to December 2025 (2025 revised July 14, 2026):

Holdings, $ billions	Dec 2024	Dec 2025	Change
All foreign holders	8,619.3	9,269.5	+650.2 (+7.5%)
Foreign official	3,792.5	3,877.7	+85.2 (+2.2%)

Holdings, $ billions	Dec 2024	Dec 2025	Change
— of which bills	306.9	388.5	+81.6 (+26.6%)
— of which bonds and notes	3,485.6	3,489.1	+3.5 (+0.1%)
Foreign private (residual)	4,826.8	5,391.8	+565.0 (+11.7%)
Japan	1,061.5	1,185.5	+124.0 (+11.7%)

Of the $85.2 billion by which measured foreign official holdings grew in 2025, $81.6 billion — ninety-six cents of each marginal dollar of measured growth — was in paper maturing inside one year. These are changes in a custody-based stock marked at market, not transaction flows: they include valuation and custody reclassification, and the composition of the growth is not the same as the composition of purchases. Private foreign holders' measured position grew 11.7 percent, and the long end sits there. The measured growth in long-duration holdings sat with private foreign holders. Stock changes are not a transaction record, so this does not show who bought; it shows where the measured growth sits, and that the 2025 story is one of composition, not departure.

2.2 First half of 2026: the stock fell, the flow was one quarter

The monthly TIC data for 2026 reverses the 2025 stock picture.

Holdings, $ billions	Feb 2026 (peak)	Jun 2026	Change
All foreign holders	9,489.4	9,299.0	−190.4
Foreign official	4,011.0	3,778.1	−232.9
— bills (Apr peak 457.3)	—	360.6	−10.4% vs Jun 2025
— bonds and notes	3,557.7	3,417.5	−2.1% vs Jun 2025
Japan	1,239.3	1,116.7	−122.6 (−9.9%)

Japan's TIC line fell $122.6 billion from February to June. Foreign official holdings fell $232.9 billion, and both official bills and official coupons are now below their level of a year earlier — bills by 10.4 percent, coupons by 2.1 percent. The 2025 shift into bills did not persist.

The flow object tells a narrower story. The Bank of Japan's series on Japanese residents' net purchases of U.S. sovereign debt (central government, agency, and local-authority paper), from the August 10 bulk release:

¥ trillion, net (− = net sale)	Total	Long-term	Short-term
Jan 2026	+0.45	+0.44	+0.01
Feb 2026	−2.58	−2.77	+0.19
Mar 2026	−1.92	−2.20	+0.28
Q1 2026	**−4.05**	**−4.53**	+0.48
Apr 2026	+0.44	+0.35	+0.09
May 2026	+0.70	+0.62	+0.09
Jun 2026	−0.97	−0.88	−0.08
Q2 2026	**+0.17**	**+0.08**	+0.09

Japanese residents sold ¥4.05 trillion of U.S. sovereign debt in the first quarter — about $26 billion, the largest quarterly net sale since 2022, revised from ¥4.67 trillion at first preliminary

— and were flat in the second. The U.S.-side transactions data agree on direction and timing: Japan-resident investors sold $21.5 billion of long-term Treasuries and agencies in the first quarter, concentrated in February and March, and bought $14.7 billion of long-term Treasuries in April.

Two things follow that a reader can use. First, Japan's TIC position fell $75 billion in a quarter in which Japanese residents were net buyers, so net Japanese-resident purchases of the category do not account for the decline; valuation, custody migration, non-residents booked through Japan, and Treasury selling inside a category that was net bought are all consistent with it, and the data do not choose among them. Second, the first-quarter flow was an episode, not a trend, and the release that will show whether it resumed in July arrives around September 8. The series is net purchases of a category — central government, agency, and local-authority paper together.

2.3 The Federal Reserve: $350 billion of bills, $35 billion of coupons

On the H.4.1 of September 3, 2026 the Federal Reserve held $4,552 billion of Treasuries within $6,468 billion of securities held outright. Over the preceding twelve months its bill holdings rose $349.8 billion; its nominal notes and bonds rose $35.3 billion. The central bank is the marginal absorber of bills, on its own account, on a scale ten times its coupon absorption. Foreign official custody at the New York Fed, the third object, stood at $2,601 billion, **$228.1 billion below a year earlier**.

So What?

Read the three objects together and the 2026 picture is consistent: official holders are shedding Treasuries at the custody and stock level; Japanese residents sold heavily for one quarter and then stopped; the Federal Reserve is absorbing bills and almost nothing else. The official sector's measured aggregate position is falling. That is a stock observation: it does not identify net transactions, and it does not say who absorbed duration or at what price. The ledger here does not inventory domestic banks, funds, pensions, or households. The dated benchmark is the only price the data supply: 5.25 percent on the thirty-year on September 3, 2026.

3. Japan: ¥15.4 Trillion of Intervention and an $88 Billion Securities Decline

3.1 What was disclosed

On August 28 the Ministry of Finance disclosed **¥15,399.3 billion** of foreign exchange intervention for July 30 through August 26. At the period's exchange rates — the yen traded from about 164 before the first operation to 157 after it and 159 by August 11 — that is on the order of $95 to $98 billion. The July 31 joint operation with the United States, the first since 1998, is inside that total and is not separately disclosed; press inference from Bank of Japan current-account data put the July 30 sales alone near $59 billion, and that figure remains an inference.

On September 7 the Ministry published Japan's reserve template for end-August. Against end-July:

$ millions	End-July 2026	End-August 2026	Change
Official reserve assets	1,287,099	1,207,524	−79,575
— Securities	927,332	839,559	−87,773
— Deposits with foreign central banks and BIS	161,853	154,983	−6,870
— Gold (27.20 million oz, marked to market)	109,520	124,103	+14,583
Memo: securities lent or on repo (included in reserves)	−186,748	−188,896	−2,148

Securities and gold are marked to market and non-dollar assets at current rates, so the $87.8 billion decline in securities combines sales, maturities, and August's price moves; it does not by itself identify Treasury sales. The interval is end-July to end-August. The July TIC release on September 16 shows Japan's position on the eve of it; the August release in mid-October is the first U.S.-side data covering it, and even that corroborates rather than identifies — TIC attributes by custodian, not by owner, and does not decompose valuation.

3.2 What was not used

Japan's finance minister said on August 1 that future dollar needs for intervention would be met through the Federal Reserve's repo facility for Foreign and International Monetary Authorities, so that Treasuries would not have to be sold, and the U.S. Treasury Secretary called for that facility to be expanded. The facility is not new: it has been a standing arrangement since July 2021, lends overnight against Treasuries held in custody at the New York Fed, may be rolled, is limited to $60 billion per counterparty, and moves the pledged collateral onto the Federal Reserve's balance sheet for the term of the repo.

The H.4.1 line for repurchase agreements with foreign official accounts read **zero** in every weekly release from the announcement through September 3. Japan's own memo line for securities lent or on repo — which would capture a private-market repo as well as an official one — moved $2.1 billion in a month in which it spent ¥15.4 trillion.

What the releases identify is narrower than a verdict on the channel. Japan's securities stock fell $87.8 billion over a month in which it intervened by about $97 billion, its repo memo line barely moved, and aggregate reported FIMA repo was zero throughout. The template does not separate sales from maturities, valuation, or currency translation; does not separate Treasuries from other securities or bills from coupons; and does not date the funding to particular intervention days. The intervention period also began on July 30, two days before the channel was named, so part of the total predates the statement. Whether the channel was declined, deferred, or simply not yet needed is not identifiable. What is identifiable is that through the end of August the announced alternative to selling had not registered on the only line that would show it.

3.3 Why it matters

An $88 billion decline in one official holder's securities stock is of a different order from a four-billion-dollar buyback, whatever its composition. If the drawdown was concentrated in Treasuries and in coupons rather than bills — the August TIC and the weekly custody data will

The drawer is lighter. The window is lit. Nobody has come to it yet.

indicate, without settling it — then the same month in which Treasury announced it would support long-end liquidity, the largest foreign official holder was a large net supplier of the paper Treasury was offering to buy. If it was bills or non-Treasury paper, the long end was not the venue. The paper does not know which yet, and says so. The yen, meanwhile, gave back about half the intervention gain within two weeks, because the rate differential that funds the carry trade — a federal funds target of 3.50 to 3.75 percent against a Bank of Japan rate of 1.00 percent — was unchanged. The Bank of Japan is expected to raise in September, which narrows the gap from its side; a Federal Reserve hike, priced near even odds for September 16–17 on the data date, would widen it again.

At the Dinner Table

A neighbor announces that the next time they need cash, they'll borrow against the family silver rather than sell it. Then they need a lot of cash, and the silver drawer is lighter by about a tenth, and the pawnshop's ledger shows they have not come in yet. You do not know whether the silver was sold, pawned elsewhere, or simply revalued. You do know not to assume the drawer is safe because the neighbor said so, and to watch the drawer, which is published monthly.

So What?

The single most useful fact in this paper is a negative one. Through a month of intervention on the order of $97 billion, the channel announced to keep Japan out of the Treasury market recorded no usage, and Japan's securities stock fell by a comparable amount. That does not prove the channel was refused; it proves the announcement is not evidence of use. Any analysis that took the announcement as a change in market structure was reading a press conference, not a balance sheet. The balance sheet is published on the seventh of each month and weekly at the Fed, and it is what to read.

4. Treasury: What the Buybacks Are and Are Not

4.1 The program, read from the schedule

Treasury has run a buyback program since May 2024. On August 19, 2026 it announced that the maximum size of its liquidity-support operations in the ten-to-twenty-year and twenty-to-thirty-year sectors would rise from $2 billion to **at least $4 billion per operation**, effective September 9 through the November 4 refunding, citing "consistent strong sponsorship" in those sectors as the reason more could be absorbed. Three features of the published schedule govern what that means:

- The minimum purchase amount on every operation is **$0**. The $4 billion is a ceiling.
- The operation count is published: **seven** long-end liquidity-support operations between September 10 and November 4 — four in ten-to-twenty years, three in twenty-to-thirty. The scheduled long-end maximum is **$28 billion**.
- Two **cash-management** operations of up to **$12.5 billion** each, in one-month-to-two-year coupons, on September 3 and September 9. The September 3 operation accepted the full $12.5 billion against about $28 billion offered. Treasury retired more short paper on September 3 than it can retire in any three long-end operations combined.

On the data date no long-end operation under the raised ceiling had occurred. The first is September 10, and its accepted amount is the first number that will tell a reader whether the ceiling is a program or a signal.

4.2 What a buyback does

Treasury cannot create money. A repurchase funded from the Treasury General Account exchanges Treasury's cash for the retirement of a Treasury liability at the accepted market price. Gross debt outstanding falls by the retired par and Treasury's cash falls by the settlement amount, on the day. The maturity of whatever eventually refinances it is a separate decision, and Treasury has said only that new issuance generally replaces bought-back securities over time. The General Account stood at $944 billion on September 2 — within one percent of the $950 billion end-September balance Treasury's August statement assumed, on a path it expects to peak near $1.05 trillion in late October. The cash is the balance Treasury said it would hold, not a war chest.

Because a buyback retires specific securities with their own coupons and prices, its financing consequence cannot be computed from a par amount and today's yields. It can be computed operation by operation, from accepted par, accepted price, coupon, and remaining maturity, against the tenor Treasury actually issues to replace it. This paper registers that computation as the analysis it will publish after each operation, and offers no number for it before the first one.

4.3 What the size means for price

As a stock, $28 billion against roughly $32 trillion of marketable debt is under a tenth of a percent, a size at which a lasting effect on the price of duration would be hard to distinguish from noise. As a flow within a single operation it can move the tape for a day, which it did on announcement (the thirty-year fell as much as nine basis points to 5.19 percent and was back at 5.26 the next afternoon). The market's own read on the data date — one-year 4.11, ten-year 4.77, thirty-year 5.25 percent — carries a 114 basis-point slope from one year to thirty that combines the expected path of short rates with whatever compensation the marginal private holder demands for duration. The buybacks can narrow the liquidity component of that spread for off-the-run issues, which is what Treasury says they are for; whether a $28 billion program also moves the compensation demanded for bearing duration is not something its size lets the data show. What they change, for a quarter, is how much off-the-run paper a dealer can turn into cash at a known bid.

So What?

The buyback program is a liquidity tool with a raised ceiling, a zero floor, seven dated operations, and a short-end program running beside it at comparable size. It is not a yield cap and it is not fiscal dominance. Its importance is what Treasury says at the November 4 refunding — whether the raised ceiling expires with the quarter or becomes standing — and that is registered as a marker rather than assumed.

5. The Bills Question

Three published facts point the same way. Treasury's August refunding statement kept coupon auction sizes unchanged and repeated its guidance that they will stay unchanged "for at least the next several quarters"; with the CBO's August review putting the fiscal-2026 deficit at $2.1 trillion and net interest at $963 billion for the first ten months — 13.8 percent above the same months a year earlier — any increase in borrowing beyond the fixed coupon calendar is met in bills, and the Monthly Statement of the Public Debt (L9) is where that shows up as a share. The Federal Reserve absorbed $350 billion of bills in the past year. And measured foreign official bill holdings, which accounted for ninety-six percent of that sector's measured growth in 2025, are 10.4 percent lower than a year earlier at June.

The question this leaves is not whether the United States can sell bills; it is who the marginal price-insensitive bill buyer is if foreign official demand has turned. The candidates are the Federal Reserve on its own balance sheet, money-market funds, and — under the GENIUS Act framework — stablecoin issuers whose reserves are required to sit in bills and repo. The author's conflict in this area is disclosed above and is exactly here. Falling official bill holdings and a rising bills share do not by themselves locate the buyer: foreign private holders can absorb bills, and a share can rise while bill dollars fall. The identifiable quantity is the domestic residual at a date, D_t = total bills outstanding on the Monthly Statement of the Public Debt at t, less all foreign bill holdings, official and private, on the TIC for the same month — and its change between two matched months. The paper registers that computation for June 2026 to January 2027, both months having an MSPD and a TIC release, as the analysis it will publish, and makes no claim about the buyer's residence until it has.

At the Dinner Table

The family has decided not to increase its thirty-year borrowing for a while and to cover anything extra with a credit line. The relative who used to buy the family's short IOUs has started cutting back. The bank is buying more of them itself. Someone new is going to have to hold that paper, and who it is decides what it costs.

6. Japan's Own Long End

The pressures on the Japanese buyer base run in parallel. The ten-year JGB traded near 2.9 percent in the first week of September, having touched its highest level since 1996; the thirty-year reached 3.89 percent in January and the forty-year 4.23 percent. Japan's economic-value solvency regime for insurers took effect for the fiscal year ended March 2026 and marks both sides of the balance sheet to market, and life insurers sold a net ¥201 billion of superlong JGBs in May after buying ¥327 billion in April; one large asset manager has publicly put the level above which insurer impairment forces further selling near 4.5 percent on the thirty-year. The Ministry of Finance is considering raising the assumed interest rate in its debt-service budget to 3.8 percent for fiscal 2027 from 3.0 percent. Fiscal policy is expanding: a ¥370 trillion investment program through fiscal 2040 and a food consumption tax cut costing about ¥4.4 trillion, with debt above 200 percent of GDP. The Bank of Japan owns about half the market and is expected to raise its policy rate to 1.25 percent in September.

Those figures are carried from press reporting and are marked U in Appendix A. They are here for one reason: the sovereign whose foreign securities stock fell $88 billion in the month it intervened is watching its own long end reprice and its domestic anchor buyer is impaired at the margin. That is not a preview of the United States; it is the same problem, one cycle further along, and the two are now linked by an intervention channel that was announced and, so far, unused.

7. The Dashboard

Ten published lines. Read them on the dates below them, not in the press.

The paper's claims reduce to ten published lines. Each is listed with its reading on the data date, its release, and the date of the next reading. A reader who maintains this table does not need this paper.

Line	What it measures	Reading (date)	Release	Next
L1	Long-end buyback acceptances, cumulative, 10Y–30Y	\$0 (Sep 3)	Treasury buyback results, per operation	Sep 10
L2	Cash-management buyback acceptances, 1M–2Y	\$12.5B (Sep 3)	Treasury buyback results	Sep 9
L3	FIMA repo outstanding, foreign official, weekly average	\$0 (Sep 2)	Federal Reserve H.4.1, Table 1	Sep 10
L4	Foreign-official custody of Treasuries at FRBNY	\$2,601B; −\$228B y/y (Sep 2)	H.4.1, Table 1A memorandum	Sep 10
L5	Foreign official TIC holdings, bills / coupons	\$360.6B / \$3,417.5B (Jun)	TIC Major Foreign Holders	Sep 16 (Jul)
L6	Federal Reserve holdings, bills / coupons, 12-month change	+\$349.8B / +\$35.3B (Sep 2)	H.4.1, Table 1	Sep 10
L7	Japanese-resident net purchases of U.S. sovereign debt	Q2 +¥0.17T; Jun −¥0.97T	BOJ/MOF BOP monthly	~Sep 8 (Jul)
L8	Japan intervention total; reserve securities and repo memo	¥15.4T (Jul 30–Aug 26); securities −\$87.8B; repo memo −\$2.1B (Aug)	MOF monthly releases	Sep 30; Oct 7
L9	Bills as share of marketable debt	not yet read	MSPD, monthly	Sep (Aug 31 statement)
L10	Coupon auction sizes and forward guidance	unchanged; "at least the next several quarters" (Aug 5)	Quarterly Refunding Statement	Nov 4

Reading rules. L3 is an overnight stock that may be rolled; a weekly average is outstanding lending, not cumulative financing, and is aggregate across counterparties. L4 excludes collateral pledged against the Fed's reverse repos, so a FIMA draw registers as a fall in L4 and a rise in L3 of similar size. L3 is registered as the weekly average, and M2 is scored on it. For comparison with L4, which is a Wednesday level, the H.4.1's Wednesday-level repo figure from the same statement week is used and labeled L3w; it is a separate observation from L3 and is not used for scoring. On a statement week in which L3w rises by an amount R, a custody decline of about R is consistent with collateral movement; a decline well beyond R has something else in it — sales, maturities, or valuation. Neither reading identifies a sale, and custody at face and repo at cash after haircut do not reconcile exactly. L5 is a custody-based stock marked at market; L7 is a resident flow; the two are never compared directly. L8's securities line is marked to market and mixes sales, maturities, and valuation.

8. Pre-Registered Markers

Each marker tests one proposition against one release and one dashboard line, with its baseline disclosed. Results will be published whether or not favorable.

Proposition P1 — the announced official channels reach material usage. (This is a claim about usage thresholds, not about what the usage financed or prevented.)

- **M1.** Cumulative long-end acceptances (L1) reach at least $20 billion across the seven scheduled operations. Baseline: $0; scheduled maximum $28 billion. Scored November 10, 2026.
- **M2.** L3 records a weekly average of at least $10 billion in at least one week. Baseline: $0. Scored March 31, 2027.

Proposition P2 — the issuer's marginal borrowing and the official sector's marginal holding both move toward bills.

- **M3.** Treasury's coupon-size guidance survives the November 2026 and February 2027 refunding statements unchanged. Baseline: guidance in force Aug 5, 2026. Scored February 2027.
- **M4.** Bills' share of marketable debt on the March 31, 2027 MSPD exceeds the August 31, 2026 share by at least 100 basis points. Baseline: August 31 share read and frozen at the September MSPD release, before any scoring. Scored April 2027.
- **M5.** Federal Reserve bill holdings rise by more than notes-and-bonds holdings over the twelve months to the last H.4.1 of March 2027 (L6). Baseline: already true on September 2. Scored March 31, 2027.
- **M6.** In the TIC release for January 2027 (L5), foreign official bill holdings are at or above $360.6 billion and their twelve-month growth exceeds that of official coupons. Baseline: bills −10.4 percent, coupons −2.1 percent year over year at June — currently against. Scored mid-March 2027.
- **M7.** Japanese-resident net purchases of U.S. sovereign debt (L7) are negative for the second half of 2026 on the second-preliminary vintage. Baseline: Q1 −¥4.05 trillion, Q2 +¥0.17 trillion. Scored April 2027.

Proposition P3 — the arrangements persist beyond the quarter they were announced for.

- **M8.** The November 4, 2026 refunding statement extends or raises the long-end liquidity-support ceilings beyond the September–November quarter. Baseline: ceilings stated for the September–November quarter. Scored November 10, 2026.

Reconciliation reading (reported, not scored). On any statement week in which the Wednesday-level repo figure, L3w, rises, the paper reports the change in L3w and in L4 side by side, both at Wednesday level from the same H.4.1. Adding the two cannot check anything, since $\Delta(\text{L4} + \text{L3w}) = \Delta\text{L4} + \Delta\text{L3w}$ rises mechanically with the repo; what is reported is whether the custody decline is of the order of the repo increase or well beyond it. The first is consistent with collateral movement; the second contains something else. Neither identifies a sale, and the comparison is approximate for the valuation reasons in Section 7.

Scoring rule. Markers are reported individually with what each tests. P1 is supported only if M1 and M2 both confirm; P3 only if M8 confirms. P2 markers describe direction and do not confirm the paper's claims about official channels on their own. M2 tests material usage at the registered threshold; a smaller nonzero reading is usage and will be reported, but does not confirm. M5 is already true and cannot count as news. M6's level condition excludes "faster growth" produced by both tenors falling.

Falsification. If by March 31, 2027 cumulative long-end acceptances are below \$10 billion and L3 has recorded no weekly average of \$10 billion or more, the announced official channels were not used at the registered materiality thresholds, and the paper's claim that they matter to Treasury absorption is wrong regardless of where yields went. August's evidence — ¥15.4 trillion of intervention with L3 at zero — already counts against P1 and is disclosed as such.

9. Limitations

The disclosed intervention is a period total. The July 31 joint operation is inside ¥15.4 trillion and not separately disclosed; the \$59 billion July 30 figure is a press inference from Bank of Japan data.

Reserve composition is marked to market. The \$87.8 billion decline in Japan's securities line over end-July to end-August combines sales, maturities, and price. TIC July (September 16) precedes the interval; TIC August (mid-October) covers it but attributes by custodian and does not decompose valuation. The split is corroborated, not identified, by U.S.-side data.

FIMA usage is aggregate. A nonzero L3 cannot be attributed to Japan, does not reveal what it financed, and does not measure a prevented sale. M2 tests usage at a threshold and nothing else.

Buyback economics are operation-specific. No financing saving or cost is computed here; the first computation will follow the September 10 results, from accepted par and price, coupon, remaining maturity, and the tenor actually issued.

Measurement objects do not reconcile, by construction. Resident flows, custody-based stocks, and Fed custody diverged in the second quarter of 2026. The official-versus-private split is more robust than any country line, and the paper's composition claims rest on it.

Vintages move. Japan's first-quarter flow was revised from ¥4.67 to ¥4.05 trillion; the World Gold Council's first-quarter official gold purchases from 244 to 57 tonnes. Values carry the vintage read. The Japanese second-quarter second preliminary is due October 8.

The ledger is not a complete holder inventory. It covers the foreign official sector, Japan, and the Federal Reserve, which are the holders whose August actions are the subject. Domestic banks, money-market funds, pensions, insurers, and households are not inventoried; the title's question is answered here by elimination on the official side, not by attribution on the private side.

Japanese domestic figures are press-sourced. Section 6 is context, marked U, and no marker rests on it.

10. So What

Four things are true on the published record as of September 7, 2026, and they are enough to act on.

First, official holders are shedding U.S. Treasuries. Foreign-official custody at the Fed is $228 billion below a year ago; foreign official TIC holdings fell $233 billion from February to June; Japan's securities reserves fell $88 billion in August alone, composition not yet identified. Those are stock declines; they do not identify who transacted or who absorbed duration, and this paper has not inventoried the domestic sectors. What the data supply is a dated benchmark: the thirty-year yield was 5.25 percent on September 3, 2026.

Second, the channel announced to keep Japan's selling out of the market recorded no usage through a month of large intervention. That does not mean it will not be used, and the timing does not prove it was declined. It means the announcement is not evidence, and the H.4.1 is.

Third, Treasury's long-end buybacks are a liquidity tool with a $28 billion quarterly ceiling and a zero floor, running beside a short-end program that on its first day retired more paper than three long-end operations can. Whether the ceiling outlives November is the question, and it is registered.

Fourth, any federal borrowing beyond the fixed coupon calendar is in bills, the central bank is absorbing bills at ten times the rate it absorbs coupons, and measured foreign official bill holdings, which carried that sector's growth in 2025, are falling. The identity of the next price-insensitive bill buyer is the open question in U.S. debt management, and it is one the author has an interest in, which is why it is stated as a marker rather than a conclusion.

The dashboard in Section 7 lists ten lines, their readings, and their next release dates. The first three readings arrive September 8, 9 and 10. Everything this paper claims can be checked against them, and will be.

Appendix A. Data Sources and Provenance

Provenance classes: **V** read from the primary release in this pass; **U** press reporting of a primary not retrieved; **A** author-defined; **D** derived in the text from V or U values as stated.

Series	Source	Used in	Class
Foreign exchange intervention, Jul 30–Aug 26, 2026	Japan MOF, monthly intervention release, Aug 28, 2026	§3, L8	V
International reserves template, end-July and end-August 2026	Japan MOF, Aug 7 and Sep 7, 2026	§3, L8	V
Japanese-resident net purchases of U.S. sovereign debt, monthly	BOJ/MOF BOP bulk file (series BPPI6D1NAUS, BPPI6D3NAUS, BPPI6D4NAUS), Aug 10, 2026	§2, L7, M7	V
Major Foreign Holders, 2024–2025 (2025 revised Jul 14, 2026) and Jan–Jun 2026	U.S. Treasury TIC	§2, L5, M6	V

Series	Source	Used in	Class
Japan-resident net transactions in U.S. long-term Treasuries and agencies	TIC CSLT via FRED, through May 2026	§2	V
Fed balance sheet, custody memorandum, foreign-official repo and reverse repo, TGA	Federal Reserve H.4.1, Sep 3, 2026	§2, §3, §4, L3, L4, L6	V
Treasury constant-maturity yields, Sep 3, 2026	Federal Reserve H.15, Sep 4, 2026	§1, §4	V
Buyback maximum raised (sb0607)	U.S. Treasury, Aug 19, 2026	§4	V
Tentative buyback schedule (seven long-end operations; $0 minimum; cash-management operations)	U.S. Treasury, Aug 5, 2026	§4, L1, L2, M1	V
Sep 3 cash-management buyback result ($12.5B accepted, ~$28B offered)	TreasuryDirect buyback results, via reported operation table	§4, L2	U
Quarterly Refunding Statement (coupon guidance; cash-balance assumptions)	U.S. Treasury, Aug 5, 2026	§4, §5, M3	U
FIMA repo facility terms	FRBNY Economic Policy Review, 2022	§3, L3	U
FY2026 deficit projection; net interest, 10 months	CBO Monthly Budget Review, Aug 2026 (deficit from the CBO page; net interest via press summary)	§5	V / U
Official gold purchases, Q1 revised and Q2 2026	World Gold Council, Gold Demand Trends Q2 2026	§9	V
Yen levels; July 30 inference; Aug 17–20 yield moves; Secretary's remarks; FOMC projections; hike odds	Press reporting, Jul–Sep 2026	§3, §4	U
JGB yields; insurer flows; MOF assumed rate; BOJ expectations; fiscal program	Press reporting of MOF, JSDA, BOJ	§6	U
Marketable debt denominator (~$32T); yen conversion of ¥15.4T at 157–164	Author	§3, §4	A

Source links. Every source retrieved for this paper, as a linked title with the address used.

- Bank of Japan / Ministry of Finance, Balance of Payments (BPM6), monthly bulk file bp_m_jp.zip, file dated 2026-08-10. Series BPPI6D1NAUS / BPPI6D3NAUS / BPPI6D4NAUS — Bank of Japan / Ministry of Finance, Balance of Payments (BPM6), monthly bulk file bp_m_jp.zip, file dated 2026-08-10. Series BPPI6D1NAUS / BPPI6D3NAUS / BPPI6D4NAUS: outward portfolio investment in sovereign debt (central government, agency and local-authority bonds), United States, net, 100M yen. Q1 2026 at second-preliminary vintage (8 Jul 2026); Q2 2026 first preliminary.
- U.S. Treasury TIC, Major Foreign Holders historical (mfhhis01), 2025 revised 14 Jul 2026 — U.S. Treasury TIC, Major Foreign Holders historical (mfhhis01), 2025 revised 14 Jul 2026.
- U.S. Treasury TIC, SLT Table 5, Major Foreign Holders, months through June 2026 — U.S. Treasury TIC, SLT Table 5, Major Foreign Holders, months through June 2026.
- TIC CSLT via FRED — TIC CSLT via FRED: FORLTTREASNET42609 (LT Treasuries), FORLTAGCYNET42609 (LT agencies), FORTREASNET42609 (all-maturity Treasuries), Japan, $M, updated 14 Jul 2026 / 18 Jun 2026.

- Federal Reserve H.4.1, release of 3 Sep 2026, Tables 1 and 1A — Federal Reserve H.4.1, release of 3 Sep 2026, Tables 1 and 1A.
- World Gold Council, Gold Demand Trends Q2 2026, 30 Jul 2026, Central Banks section. Data to 24 Jul 2026 — World Gold Council, Gold Demand Trends Q2 2026, 30 Jul 2026, Central Banks section. Data to 24 Jul 2026.
- Japan MOF, Foreign Exchange Intervention Operations, Jul 30–Aug 26, 2026 (released Aug 28) — Japan MOF, Foreign Exchange Intervention Operations, Jul 30–Aug 26, 2026 (released Aug 28): ¥15,399.3 billion.
- Japan MOF, International Reserves/Foreign Currency Liquidity, end-July 2026 (Aug 7) — Japan MOF, International Reserves/Foreign Currency Liquidity, end-July 2026 (Aug 7).
- Japan MOF, International Reserves/Foreign Currency Liquidity, end-August 2026 (Sep 7) — Japan MOF, International Reserves/Foreign Currency Liquidity, end-August 2026 (Sep 7).
- Federal Reserve H.15, Sep 4, 2026 (constant maturities for Sep 3) — Federal Reserve H.15, Sep 4, 2026 (constant maturities for Sep 3).
- U.S. Treasury press release sb0607, Aug 19, 2026 — U.S. Treasury press release sb0607, Aug 19, 2026: long-end liquidity-support maximum from $2B to at least $4B per operation, Sep 9–Nov 4; ‘consistent strong sponsorship’.
- U.S. Treasury, Tentative Buyback Schedule, August 2026 refunding (Aug 5) — U.S. Treasury, Tentative Buyback Schedule, August 2026 refunding (Aug 5): $0 minimum; seven long-end operations Sep 10–Nov 4; two cash-management operations up to $12.5B (Sep 3, Sep 9).
- Sep 3, 2026 cash-management buyback — Sep 3, 2026 cash-management buyback: $12.5B accepted against ~$28.3B offered (TreasuryDirect results, via reported operation table).
- U.S. Treasury Quarterly Refunding Statement, Aug 5, 2026 (sb0590) — U.S. Treasury Quarterly Refunding Statement, Aug 5, 2026 (sb0590): coupon sizes maintained ‘for at least the next several quarters’; cash $950B end-Sep assumed, ~$1.05T late-Oct peak.
- U.S. Treasury buyback program launch, May 2024 (jy2315) — U.S. Treasury buyback program launch, May 2024 (jy2315).
- FRBNY Economic Policy Review 2022 (Choi et al.) — FRBNY Economic Policy Review 2022 (Choi et al.): FIMA repo standing since Jul 2021; overnight, rollable; $60B per counterparty; collateral to SOMA.
- CBO Monthly Budget Review, August 2026 — CBO Monthly Budget Review, August 2026: FY2026 deficit projected $2.1T.
- CBO August review — CBO August review: net interest $963B for 10 months vs $846B, via press summary.
- Trading Economics, Aug 20, 2026 — Trading Economics, Aug 20, 2026: 30-year −9 bp to 5.19% on announcement; 5.26% next day.
- CNBC / Trading Economics, Sep 3–4, 2026 — CNBC / Trading Economics, Sep 3–4, 2026: Sept hike odds ~50%.
- Trading Economics, Sep 4, 2026 — Trading Economics, Sep 4, 2026: 10-year JGB ~2.9%, highest since 1996 earlier in week; BOJ hike expected.

Verification queue. The following claims are carried from press reporting without a retrieved primary and are marked U wherever they appear. Each is one statement a reader can check against the release it names; none supports a marker. The outlet is recorded where known and otherwise stated as not recorded.

- 30-year Treasury 5.311% on Aug 17, 2026, highest since 2007 — press reporting of Treasury yield-curve data; outlet not recorded, to be retrieved.
- Japan finance minister statement, Aug 1, 2026, that future intervention would be funded through the Federal Reserve FIMA repo facility; U.S. Treasury Secretary's call for its expansion — press reporting; outlet not recorded, to be retrieved.
- Press inference from Bank of Japan current-account projections of up to $58.97B of dollar sales on Jul 30, 2026; outlet not recorded, to be retrieved.
- USD/JPY about 164 on Jul 28, 157 after the Jul 31 intervention, 159 on Aug 11, 2026 — press market reports; outlet not recorded, to be retrieved.
- June 2026 FOMC Summary of Economic Projections: nine officials signalling higher rates in 2026, six of them two increases — press reporting of the SEP; outlet not recorded, to be retrieved.
- Federal funds target 3.50–3.75%; Bank of Japan policy rate 1.00%, increase to 1.25% expected in September — press reporting; outlet not recorded, to be retrieved.
- 30-year JGB all-time high 3.89% (January 2026) and 40-year 4.23% — press reporting of Japan MOF yield data; outlet not recorded, to be retrieved.
- Life insurers net sold ¥201.2B of superlong JGBs in May 2026 after net buying ¥327.2B in April — press reporting of JSDA investor-flow data; outlet not recorded, to be retrieved.
- BNP Paribas Asset Management statement that insurer impairment risk becomes significant above about 4.5% on the 30-year JGB — press interview; outlet not recorded, to be retrieved.
- Japan MOF considering a 3.8% assumed interest rate for FY2027 debt service, from 3.0% — press reporting; outlet not recorded, to be retrieved.
- ¥370T public-private investment program through FY2040 with ¥102T for AI and semiconductors; food consumption tax cut costing about ¥4.4T; debt above 200% of GDP — press reporting of government announcements; outlet not recorded, to be retrieved.
- Bank of Japan holds about half of outstanding JGBs — press reporting of BOJ flow-of-funds data; outlet not recorded, to be retrieved.

Release calendar. BOJ BOP July (~Sep 8); Treasury cash-management operation (Sep 9); first long-end operation and H.4.1 (Sep 10); TIC July (Sep 16); FOMC (Sep 16–17); BOJ policy meeting (Sep); MSPD August (mid-Sep); MOF intervention Aug 27–Sep 28 (Sep 30); MOF reserves September (Oct 7); BOJ Q2 second preliminary (Oct 8); Quarterly Refunding (Nov 4).

PREVIOUSLY IN THE STRUCTURAL SERIES: No. 2026-01, *Printing Without the Printer* • No. 2026-02, *Bids Without Buyers* • No. 2026-03, *Reserves Without Treasuries* (September 3, 2026 editions).