

Price Source Change for Japanese Housing Finance MBS in the FTSE Fixed Income Indices

After a thorough review of the pricing methodology for Japanese Housing Finance (JHF) mortgage-backed securities included in FTSE fixed income indices, FTSE Russell announces a change in the price source to Refinitiv for these securities. This change will be reflected in the FTSE Japanese Broad Bond Index (JPBBI) and FTSE Japanese Broad Investment-Grade Bond Index (JPBIG), effective with the August 2022 profiles. As a result of this change, the price source for all JPY-denominated securities tracked by FTSE fixed income indices will be sourced from Refinitiv. This announcement provides further details on the change and a projected impact analysis.

Details of the Price Source Change and Projected Impact

The FTSE Japanese Broad Bond Index (JPBBI) and FTSE Japanese Broad Investment-Grade Bond Index (JPBIG) measures the performance of Japanese Yen-denominated bonds issued in the Japanese bond market. The indices include Japanese government bonds (JGB), government-related securities, mortgages and corporate debt.

Effective with August 2022 profiles, the price source for JHF monthly mortgage-backed securities in the index will change to Refinitiv and will represent a bid-side price as of 10:00 p.m. (Tokyo time) snap time.

Figure 1 provides a projected impact assessment as of April 15, 2022. This change aligns the pricing methodology used for these indices with the majority of FTSE fixed income indices, which are primarily sourced from Refinitiv Pricing and Reference Data.

Figure 1. Projected Impact of the Price Source Change for the FTSE Japanese Broad Bond Index (JPBBI) and FTSE Japanese Broad Investment-Grade Bond Index (JPBIG)

Index	Average Price			Effective Duration		
	Current	Refinitiv	Difference	Current	Refinitiv	Difference
FTSE Japanese Broad Bond Index ex MBS	104.81	104.81	0.00	11.55	11.55	0.00
FTSE Japanese Broad Bond Mortgage Index	100.30	100.28	-0.02	7.49	7.50	0.01
FTSE Japanese Broad Bond Index	104.70	104.70	0.00	11.46	11.46	0.00
FTSE Japanese Broad Investment-Grade Bond Index ex MBS	105.23	105.23	0.00	12.18	12.18	0.00
FTSE Japanese Broad Investment-Grade Bond Mortgage Index	99.88	99.86	-0.02	7.72	7.72	0.00
FTSE Japanese Broad Investment-Grade Bond Index	105.09	105.09	0.00	12.07	12.07	0.00

Source: FTSE Russell as of April 15, 2022.

Please contact us at fi.index@lseg.com with any comments or questions.
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