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## Japan Is Driving Global Bond Yields Higher

The yield on some Japanese government debt is above 4% for the first time in more than three decades.



By [Phil Serafino](#)



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**Yet the higher yields act as a powerful magnet, pulling Japanese savers' money out of markets around the globe and drawing it back home.**

That means less demand for sovereign bonds such as Treasuries, German bunds and French OATs at a time when investors already are fretting over persistent inflation and the risk of another uptick in price pressures if the trade war worsens.

Another factor: governments and companies are flooding the market with new bonds as they ramp up spending on defense, data centers, and just about everything else.