

Bond Market Survey (February 2022)

Survey period: From February 1 to February 7, 2022

Number of respondents¹: 69

¹ Eligible institutions for the Bank of Japan's outright purchases and sales of JGBs and major insurance companies, asset management companies, etc.

1. Bond Market Functioning (Answer the following questions considering the secondary JGB market.)

(1) The degree of bond market functioning from your company's viewpoint²

² Answer these questions taking into account your answers to (2).a. to g. as a whole.

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI ³	-25	-21	/
Percentage			
1. High	1	4	3
2. Not very high	72	71	49
3. Low	26	25	17

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-2	4	/
Percentage			
1. Has improved	7	10	7
2. Hasn't really improved	84	84	58
3. Has decreased	9	6	4

³ DI: Diffusion Index of "1" minus "3", %points. The same applies hereafter.

(2) Factors related to bond market functioning and liquidity

a. The bid-ask spread from your company's viewpoint

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-6	-1	/
Percentage			
1. Tight	7	12	8
2. Not very tight	80	75	52
3. Wide	13	13	9

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-3	-9	/
Percentage			
1. Has tightened	3	4	3
2. Hasn't really tightened	91	83	57
3. Has widened	6	13	9

b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board⁴

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-22	-20	/
Percentage			
1. Large	3	3	2
2. Not very large	72	74	51
3. Small	25	23	16

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-5	-6	/
Percentage			
1. Has increased	4	4	3
2. Hasn't really increased	87	86	59
3. Has decreased	9	10	7

⁴ "Thickness" of the trading board refers to the order quantity for each bid and ask price.

c. The dealing frequency of your company⁵

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-15	-13	/
Percentage			
1. High	4	7	5
2. Not very high	77	72	50
3. Low	19	20	14

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	8	7	/
Percentage			
1. Has increased	14	16	11
2. Hasn't really increased	80	75	52
3. Has decreased	6	9	6

⁵ Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-15	-16	/
Percentage			
1. Large	4	6	4
2. Not very large	77	72	50
3. Small	19	22	15

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	5	3	/
Percentage			
1. Has increased	9	10	7
2. Hasn't really increased	87	83	57
3. Has decreased	4	7	5

e. The lot size of your company

(Current situation) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-15	-14	/
Percentage			
1. Large	4	3	2
2. Not very large	77	80	55
3. Small	19	17	12

(Change from three months ago) (%,%points)

	Nov. 2021 Survey	Feb. 2022 Survey	Number of respondents
DI	-3	-1	/
Percentage			
1. Has increased	3	6	4
2. Hasn't really increased	91	87	60
3. Has decreased	6	7	5

f. Is your company able to make dealings with expected prices?

(Current situation)

		(%,%points)		
		Nov. 2021	Feb. 2022	Number of respondents
		Survey	Survey	
DI		30	32	
Percentage	1. Yes	39	41	28
	2. Not really	52	51	35
	3. No	9	9	6

g. Is your company able to make dealings with expected dealing lots?

(Current situation)

		(%,%points)		
		Nov. 2021	Feb. 2022	Number of respondents
		Survey	Survey	
DI		34	34	
Percentage	1. Yes	41	41	28
	2. Not really	51	51	35
	3. No	7	7	5

2. Outlook for Long-Term Interest Rates

(1) The outlook for newly issued JGB yields at each following point

(Newly issued 2-year JGB yield)

		(%)					
< Number of respondents : 66 >		End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024
Average		-0.07	-0.07	-0.07	-0.06	-0.05	-0.04
Third quartile (75th percentile)		-0.05	-0.05	-0.05	-0.03	-0.03	0.00
Median		-0.05	-0.05	-0.05	-0.05	-0.05	-0.05
First quartile (25th percentile)		-0.10	-0.10	-0.10	-0.10	-0.08	-0.06

(Newly issued 5-year JGB yield)

		(%)					
< Number of respondents : 67 >		End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024
Average		-0.03	-0.03	-0.02	-0.01	0.00	0.02
Third quartile (75th percentile)		0.00	0.00	0.00	0.01	0.02	0.05
Median		-0.02	-0.02	-0.02	-0.01	0.00	0.00
First quartile (25th percentile)		-0.05	-0.05	-0.05	-0.05	-0.05	-0.01

(Newly issued 10-year JGB yield)

		(%)					
< Number of respondents : 68 >		End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024
Average		0.17	0.16	0.17	0.19	0.21	0.24
Third quartile (75th percentile)		0.20	0.20	0.21	0.23	0.25	0.30
Median		0.15	0.15	0.16	0.20	0.20	0.20
First quartile (25th percentile)		0.15	0.14	0.14	0.15	0.15	0.18

(Newly issued 20-year JGB yield)

		(%)					
< Number of respondents : 66 >		End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024
Average		0.57	0.57	0.59	0.62	0.64	0.69
Third quartile (75th percentile)		0.60	0.60	0.63	0.65	0.68	0.75
Median		0.57	0.56	0.60	0.60	0.60	0.67
First quartile (25th percentile)		0.55	0.51	0.54	0.55	0.59	0.60

(Newly issued 30-year JGB yield)

		(%)					
< Number of respondents : 66 >		End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024
Average		0.77	0.78	0.79	0.83	0.86	0.91
Third quartile (75th percentile)		0.80	0.80	0.83	0.85	0.90	0.99
Median		0.77	0.78	0.80	0.80	0.81	0.87
First quartile (25th percentile)		0.75	0.74	0.75	0.75	0.80	0.80

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2023 and end-Mar. 2024

		(%)									
		≤▲0.50%	▲0.49~▲0.25%	▲0.24~0.00%	0.01~0.25%	0.26~0.50%	0.51~0.75%	0.76~1.00%	1.01~1.25%	1.26~1.50%	1.51%≤
End-Mar. 2023	(66 respondents)	0.1	0.9	9.1	69.9	16.2	2.0	0.9	0.5	0.3	0.1
End-Mar. 2024	(66 respondents)	0.1	0.9	8.2	59.2	25.6	3.8	1.1	0.6	0.3	0.2

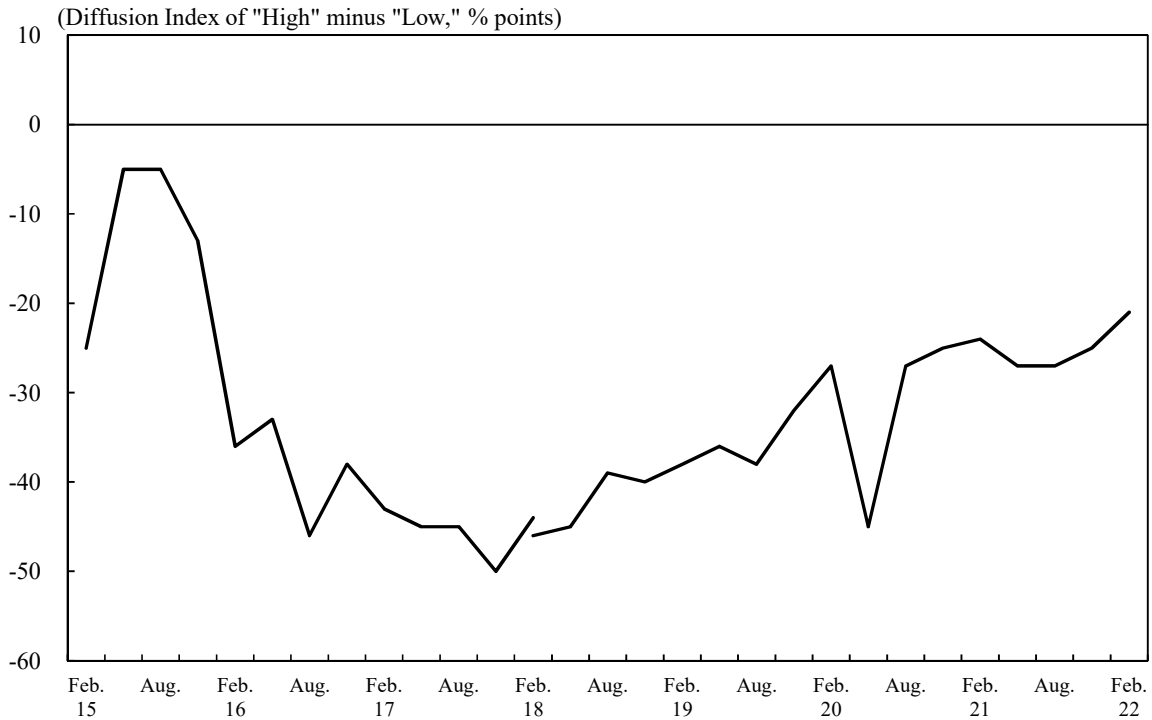
⁶Arithmetic average

Note: The next survey's publication date is June 1, 2022

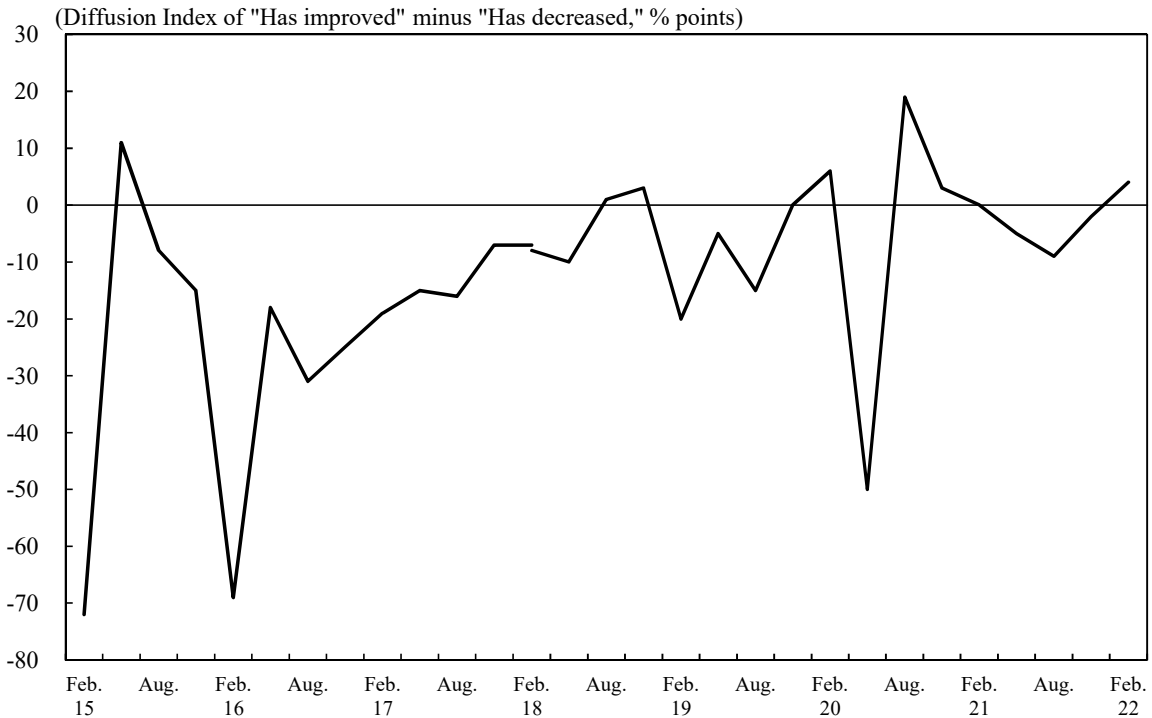
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Degree of Bond Market Functioning

Current situation



Change from three months ago



Note: The survey from February 2018 onward includes responses from major insurance companies, asset management companies, etc., in addition to those from eligible institutions for the Bank's outright purchases and sales of JGBs. Regarding the figures for February 2018, the reference data, which are based on responses only from eligible institutions for the Bank's outright purchases and sales of JGBs, are also indicated.