

## Bond Market Survey (August 2022)

Survey period: From August 1 to August 5, 2022

Number of respondents<sup>1</sup>: 69

<sup>1</sup> 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 viewpoint<sup>2</sup>

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

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI <sup>3</sup>	-27	-40	/
Percentage	1. High	3	1
	2. Not very high	67	40
	3. Low	30	28

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

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-28	-42	/
Percentage	1. Has improved	0	1
	2. Hasn't really improved	72	38
	3. Has decreased	28	30

#### (2) Factors related to bond market functioning and liquidity

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

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-17	-28	/
Percentage	1. Tight	6	3
	2. Not very tight	71	44
	3. Wide	23	22

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-20	-41	/
Percentage	1. Has tightened	3	1
	2. Hasn't really tightened	74	39
	3. Has widened	23	29

##### b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board<sup>4</sup>

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-27	-50	/
Percentage	1. Large	3	1
	2. Not very large	67	33
	3. Small	30	35

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

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-19	-48	/
Percentage	1. Has increased	0	1
	2. Hasn't really increased	81	34
	3. Has decreased	19	34

##### c. The dealing frequency of your company<sup>5</sup>

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-19	-22	/
Percentage	1. High	4	2
	2. Not very high	72	50
	3. Low	23	17

<sup>5</sup> Answer dealing frequency with the same counterparty.

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-18	-10	/
Percentage	1. Has increased	7	5
	2. Hasn't really increased	68	52
	3. Has decreased	25	12

##### d. The number of your dealing counterparties

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-23	-24	/
Percentage	1. Large	0	1
	2. Not very large	77	51
	3. Small	23	17

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-16	-8	/
Percentage	1. Has increased	1	3
	2. Hasn't really increased	81	58
	3. Has decreased	17	8

##### e. The lot size of your company

(Current situation)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-12	-18	/
Percentage	1. Large	4	5
	2. Not very large	80	47
	3. Small	16	17

(Change from three months ago)

		(%,%points)	
	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	-13	-21	/
Percentage	1. Has increased	1	3
	2. Hasn't really increased	84	49
	3. Has decreased	14	17

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

(Current situation) (%,%points)

	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	23	7	
Percentage	1. Yes	36	33
	2. Not really	51	41
	3. No	13	26
			23
			28
			18

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

(Current situation) (%,%points)

	May 2022 Survey	Aug. 2022 Survey	Number of respondents
DI	22	12	
Percentage	1. Yes	35	34
	2. Not really	51	44
	3. No	13	22
			23
			30
			15

## 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 : 67 >	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Jun. 2023	End-Mar. 2024	End-Mar. 2025
Average	-0.08	-0.07	-0.05	-0.04	-0.01	0.02
Third quartile (75th percentile)	-0.05	-0.05	-0.05	0.00	0.00	0.05
Median	-0.05	-0.05	-0.05	-0.05	0.00	0.00
First quartile (25th percentile)	-0.09	-0.08	-0.05	-0.05	-0.05	-0.05

(Newly issued 5-year JGB yield) (%)

< Number of respondents : 67 >	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Jun. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.00	0.02	0.03	0.05	0.10	0.13
Third quartile (75th percentile)	0.00	0.05	0.05	0.09	0.10	0.15
Median	0.00	0.00	0.02	0.05	0.08	0.10
First quartile (25th percentile)	-0.01	0.00	0.00	0.00	0.00	0.05

(Newly issued 10-year JGB yield) (%)

< Number of respondents : 68 >	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Jun. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.21	0.23	0.25	0.28	0.35	0.39
Third quartile (75th percentile)	0.25	0.25	0.25	0.30	0.40	0.50
Median	0.20	0.23	0.25	0.25	0.30	0.35
First quartile (25th percentile)	0.20	0.20	0.20	0.24	0.24	0.25

(Newly issued 20-year JGB yield) (%)

< Number of respondents : 67 >	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Jun. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.85	0.87	0.88	0.93	0.98	1.04
Third quartile (75th percentile)	0.89	0.90	0.90	1.00	1.10	1.20
Median	0.85	0.85	0.90	0.90	0.95	1.00
First quartile (25th percentile)	0.80	0.80	0.83	0.85	0.85	0.87

(Newly issued 30-year JGB yield) (%)

< Number of respondents : 66 >	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Jun. 2023	End-Mar. 2024	End-Mar. 2025
Average	1.18	1.20	1.22	1.27	1.31	1.39
Third quartile (75th percentile)	1.20	1.25	1.29	1.30	1.40	1.50
Median	1.20	1.20	1.20	1.25	1.30	1.40
First quartile (25th percentile)	1.15	1.15	1.15	1.20	1.20	1.20

(2) The probability distribution forecast<sup>6</sup> of the newly issued 10-year JGB yield at end-Mar. 2024 and end-Mar. 2025

(%)

	≤ ▲ 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. 2024 (66 respondents)	0.0	0.4	4.9	53.2	31.6	6.6	1.8	0.5	0.2	0.8
End-Mar. 2025 (65 respondents)	0.1	0.6	3.8	40.3	36.8	12.9	3.1	1.2	0.3	0.8

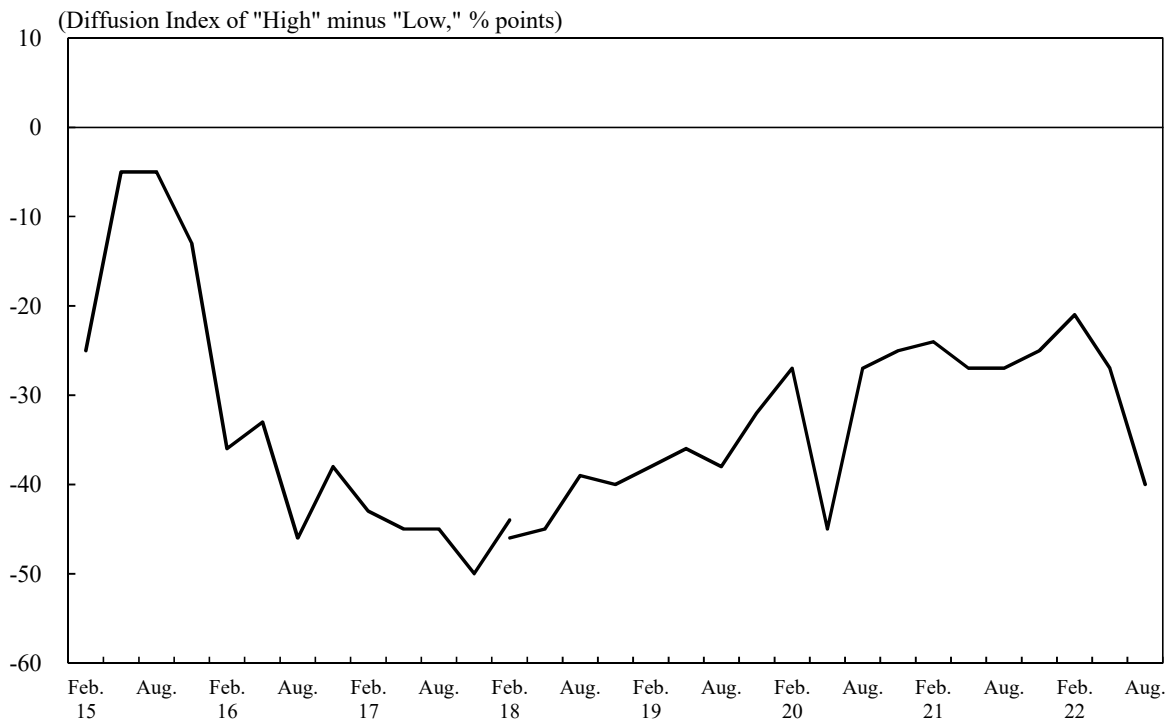
<sup>6</sup> Arithmetic average

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

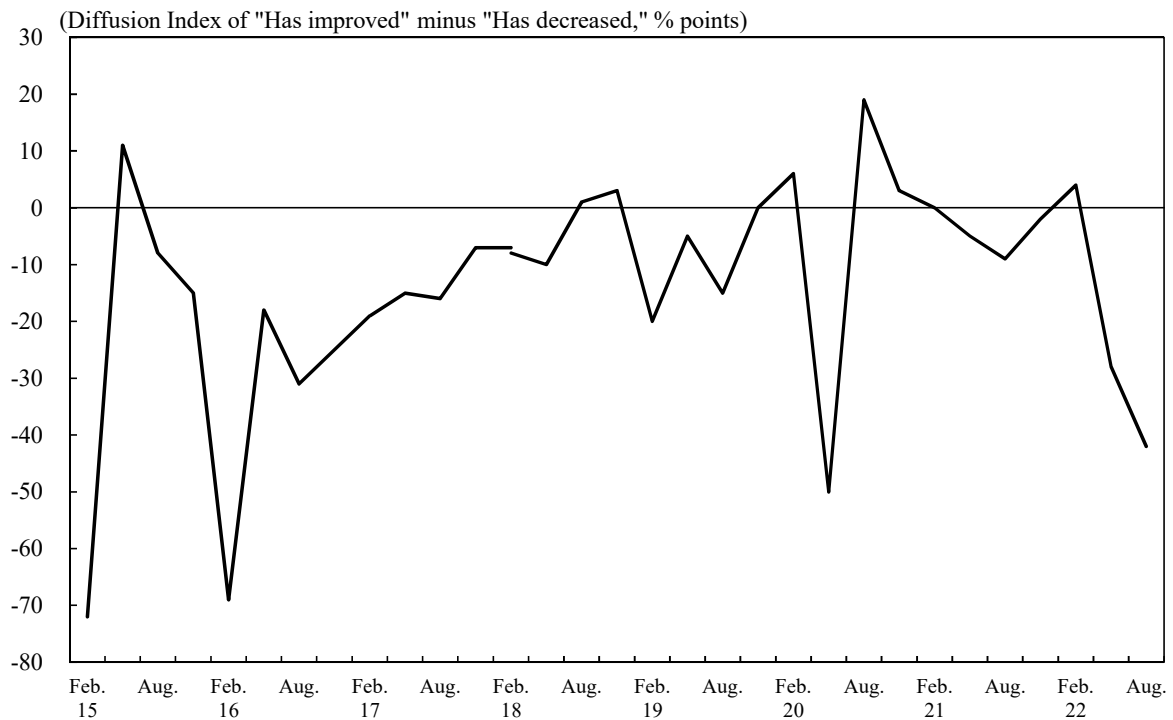
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# Degree of Bond Market Functioning

## Current situation



## Change from three months ago



Notes: 1. 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.

2. The survey is conducted in February, May, August, and November each year.