

December 2020

Trends in the Money Market in Japan

— Results of the Tokyo Money Market Survey (August 2020) —

Financial Markets Department
Bank of Japan

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Results of the Tokyo Money Market Survey (August 2020)

■ Introduction ■

The Financial Markets Department of the Bank of Japan (the Bank) has conducted the Tokyo Money Market Survey since 2008 to understand developments in the Japanese money market. Initially, this series of surveys was conducted every other year. However, to observe market trends more precisely, the Bank decided to conduct the survey annually beginning with the 2013 survey. In August 2020, the 11th survey in the series was carried out (the survey was conducted as of the end of July 2020).

As with the previous surveys, this survey covers eligible counterparties in the Bank's market operations, as well as other major participants in the money market. The number of respondents in the survey was 328 (with a response rate of 100 percent).

The Bank intends to capture comprehensively and from various angles the situations and structural changes in the money market, utilizing the results of this survey as well as the results of the Bond Market Survey. The Bank will continue to enhance dialogue with market participants by taking advantage of the Meeting on Market Operations and the Bond Market Group Meeting to actively support the relevant parties in their efforts to enhance Japanese financial markets, including the money market. The Bank intends to contribute significantly to such endeavors in its capacity as Japan's central bank.

Number of Respondents in the Tokyo Money Market Survey

	2019 survey	2020 survey
Total respondents	302	328
Eligible counterparties in the Bank's market operations	274	300

Note: In addition to the eligible counterparties in the Bank's market operations, several major life insurance companies, general insurance companies, and asset management companies participated in the survey (with a response rate of 100 percent).

■ Overview ■

The amounts outstanding in the money market increased from the levels of the previous year on both the cash borrowing side and the cash lending side.¹

This was because (1) the newly implemented "Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)"² were actively used and moves to conduct yen fund transactions with overseas counterparties became widespread, mainly among foreign banks on the cash borrowing side and (2) there was an increase in purchases of treasury discount bills (T-Bills) for the purposes of arbitrage trading and providing collateral amid rises in the yield on T-Bills temporarily exceeding the short-term policy interest rate of minus 0.1 percent.

With respect to the functioning of the money market (as of the end of July 2020), around 90 percent of all respondents answered that it remained "mostly unchanged." However, with regard to the period when the state of emergency³ was in place, around 20 percent of respondents indicated that market functioning had "declined" (see Box 1).

The Bank intends to continue to closely monitor the developments in the money market through day-to-day monitoring activities, the implementation of the Tokyo Money Market Survey, and dialogue with market participants.

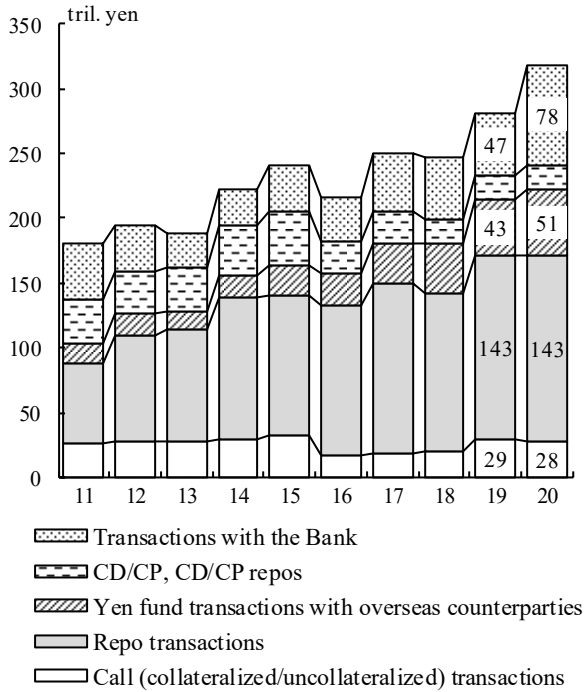
¹ The discrepancies between the figures on the cash lending side and borrowing side are due to constraints regarding the counterparties covered by this survey (e.g., non-residents are not included), and the fact that some types of transactions are recorded only on one side (e.g., transactions with the Bank are recorded only on the cash borrowing side, while treasury discount bills [T-Bills] are recorded only on the cash lending side).

² For details, see "Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)" (https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/) on the Bank of Japan's website.

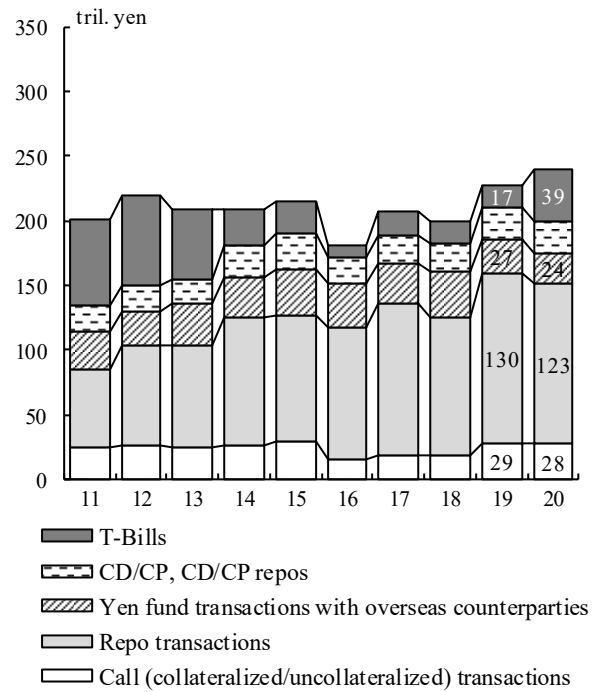
³ This refers to the period from April 7, 2020, when the Japanese government declared a state of emergency, to May 25, when the state of emergency was lifted. The same applies to the remainder of the paper.

Amount Outstanding in the Money Market

Cash Borrowing Side



Cash Lending Side



1. GC Repo Transactions Remained Unchanged from the Previous Year

Of repo market⁴ transactions, the amount outstanding of general collateral (GC) repos⁵ remained generally unchanged from the previous year.

On the cash borrowing side, Japanese securities companies pointed out that there was an increase in funding needs due to an increase in the inventory against the backdrop of the large-scale increase in the amount of issuance of Japanese government bonds (JGBs) based on the supplementary budget. Meanwhile, it was pointed out that some city banks saw temporary decreases in cash borrowing (bond lending) through GC repos as a result of the increase in bonds pledged as collateral to the Bank in association with the expansion in the use of the "Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)," although there continued to be substantial cash borrowing need for the purpose of arbitrage trading that took advantage of the three-tier system of financial institutions' current accounts at the Bank.

On the cash lending side, the overall situation remained unchanged as evidenced by, for example, the amount outstanding of cash lending using GC repos conducted in combination with bond lending using SC repos at trust banks remained at the same level as the previous year.

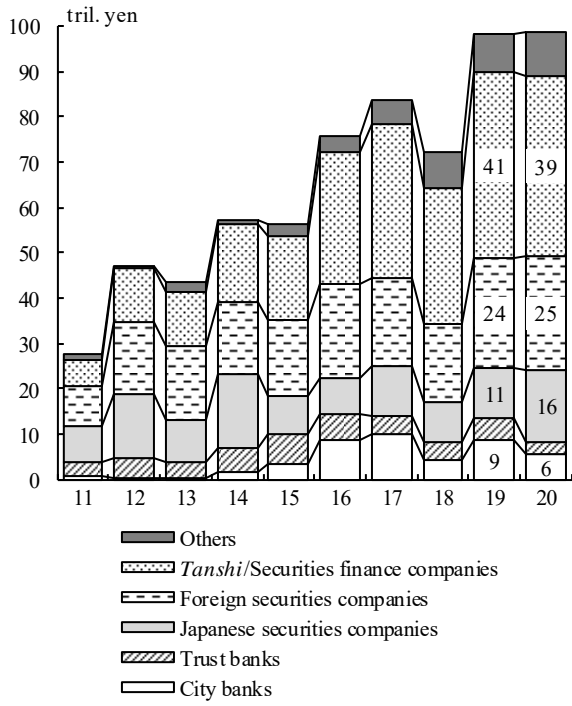
In addition, the amount outstanding of transactions by securities companies (foreign securities companies) -- which, in many cases, perform market making for non-residents -- increased somewhat, reflecting non-residents' need to trade JGBs once considering the FX-swap-implied yen rate from the U.S. dollar.

⁴ In this paper, the market for securities repurchase (*gensaki*) transactions and cash-collateralized securities lending (*gentan*) transactions is called the "repo market."

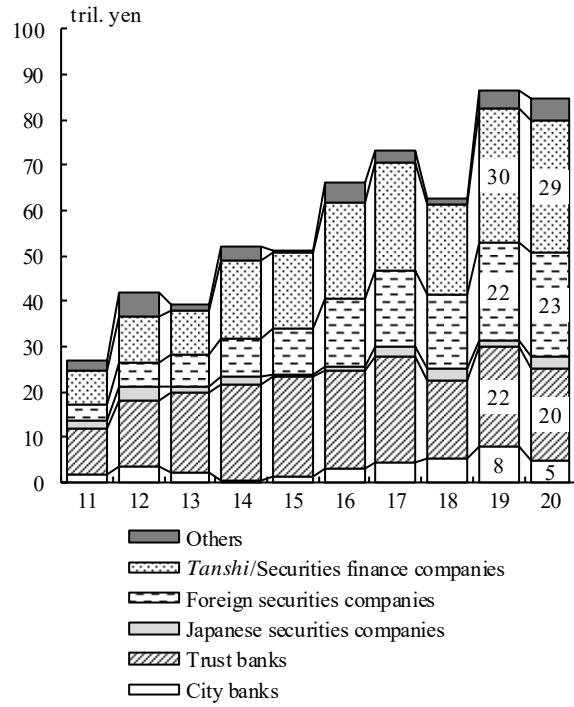
⁵ These are repo transactions in which the securities to be used as collateral are not specified.

Amount Outstanding in the GC Repo Market by Investor Type

Cash Borrowing Side



Cash Lending Side



2. SC Repo Transactions Remained Unchanged from the Previous Year

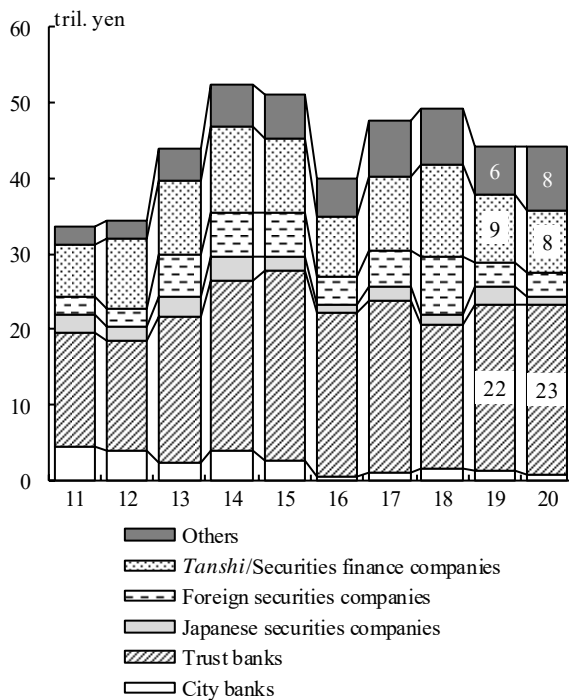
The amount outstanding of special collateral (SC) repos⁶ remained more or less unchanged as a whole from the previous year.

On the bond lending (cash borrowing) side, it was pointed out that the amount outstanding of bond lending (cash borrowing) using SC repos which are conducted in combination with bond borrowing (cash lending) using GC repos remained at the same level as the previous year at trust banks, the main suppliers of bonds. It was also indicated that the GC-SC spread was subdued during this period, and it was not an environment in which transactions would become more active.

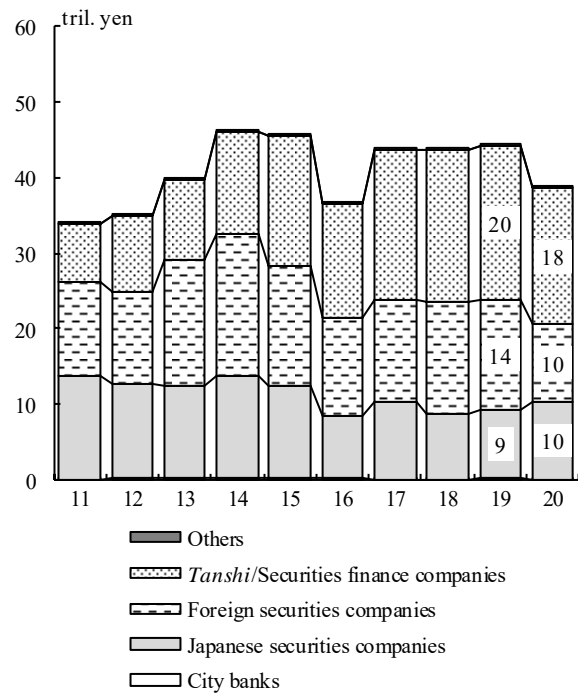
On the bond borrowing (cash lending) side, securities companies (foreign securities companies) pointed out that the need for borrowing securities used in the SC repos decreased as moves by some investors to reduce their positions had been seen since the spread of COVID-19.

Amount Outstanding in the SC Repo Market by Investor Type

Bond Lending (Cash Borrowing) Side



Bond Borrowing (Cash Lending) Side



⁶ These are repo transactions in which the securities to be used as collateral are specified.

3. Uncollateralized Call Transactions Remained Unchanged from the Previous Year

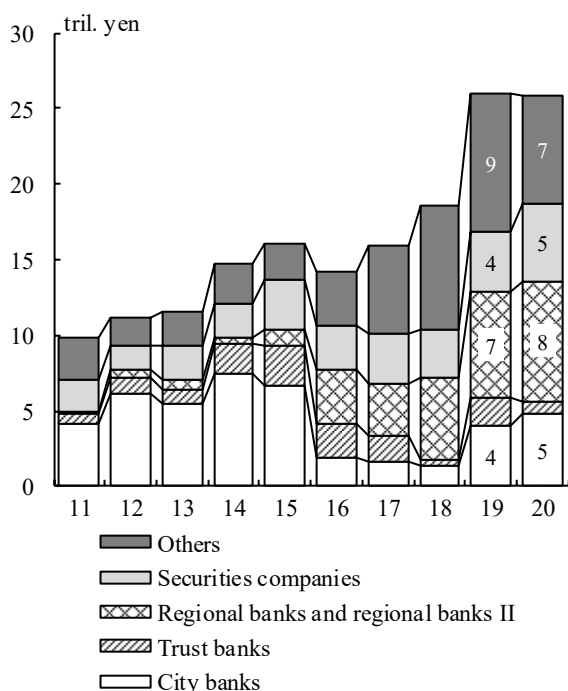
The amount outstanding of transactions in the uncollateralized call market remained generally unchanged from the previous year.

On the cash borrowing side, as arbitrage trading that took advantage of the three-tier system of financial institutions' current accounts at the Bank became established, it was pointed out that some city banks, regional banks, and regional banks II that had increased unused allowances of macro add-on balances by using "Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)" increased their cash borrowing for the purpose of arbitrage trading.

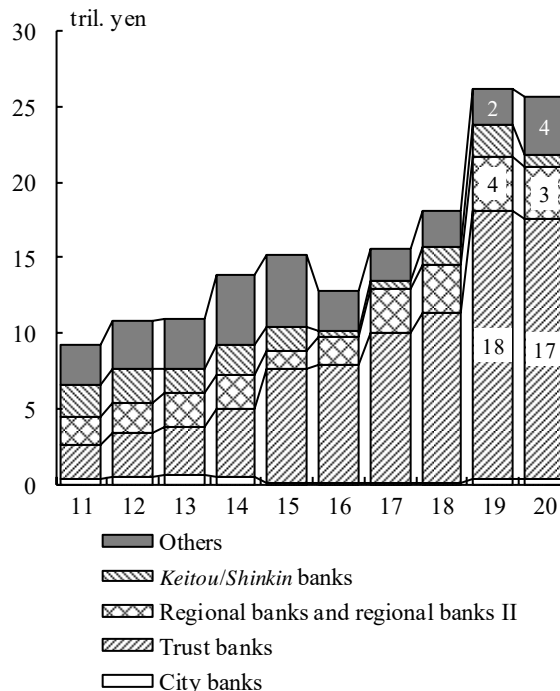
On the cash lending side, the amount outstanding remained unchanged as a whole as evidenced by, for example, that of transactions by investment trusts⁷ remaining at the same level as the previous year.

Amount Outstanding in the Uncollateralized Call Market by Investor Type

Cash Borrowing Side



Cash Lending Side



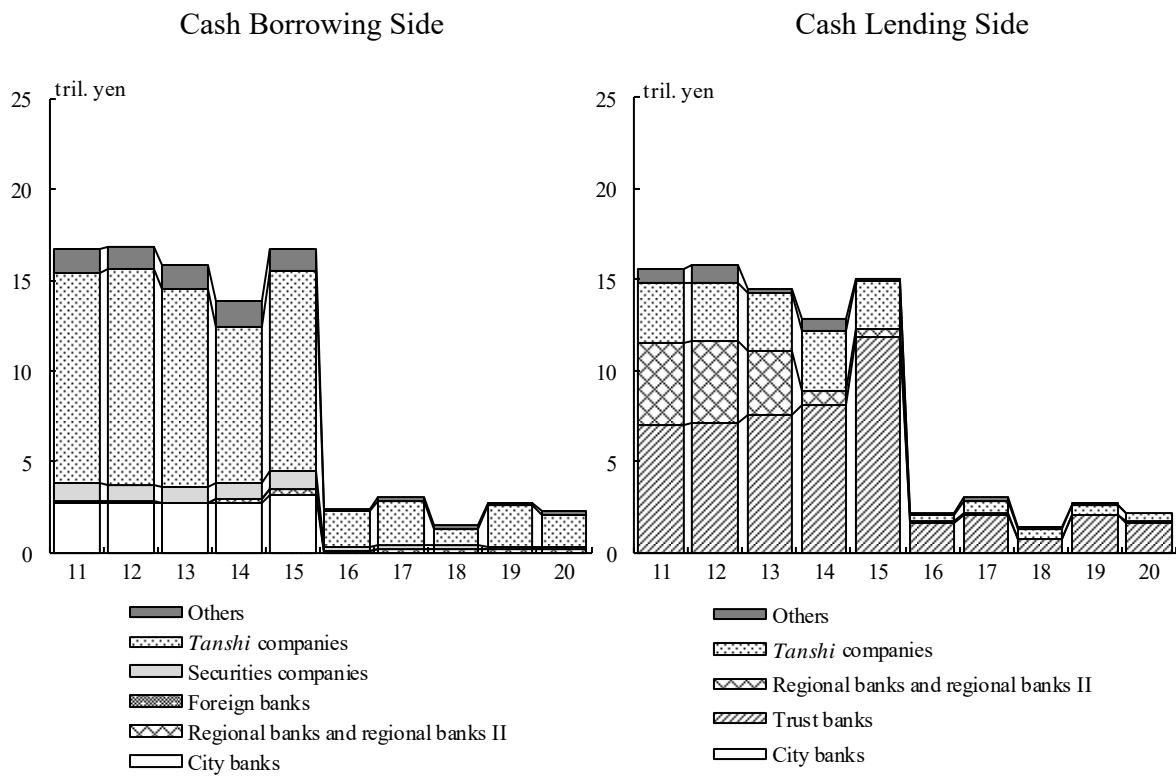
⁷ Included in "trust banks" in this survey.

4. Collateralized Call Transactions Remained at Low Levels

The amount outstanding of transactions in the collateralized call market has continued to be at a significantly low level since the introduction of the negative interest rate policy.

It was pointed out that some collateralized call transactions were suspended or reduced as a result of focusing on operations with greater urgency and higher priority, as financial institutions reviewed their operational structures given the spread of COVID-19.

Amount Outstanding in the Collateralized Call Market by Investor Type



5. Investment in T-Bills and CP Increased

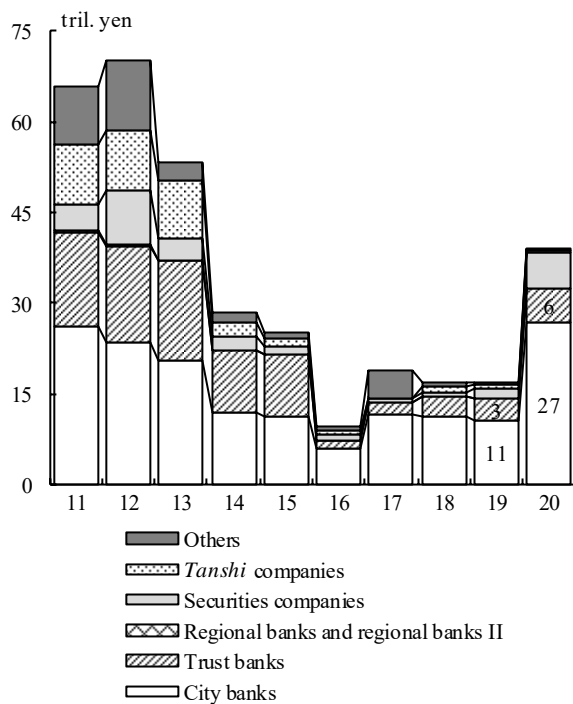
The amounts outstanding of investment in T-Bills and in CP increased from the previous year.

The amount outstanding of investment in T-Bills increased significantly from the previous year due to an increase in purchases for the purposes of arbitrage trading or providing collateral, as the yield on T-Bills temporarily exceeded the short-term policy interest rate of minus 0.1 percent amid a significant increase in the amount of issuance. By investor type, the amount outstanding held by city banks has particularly increased.

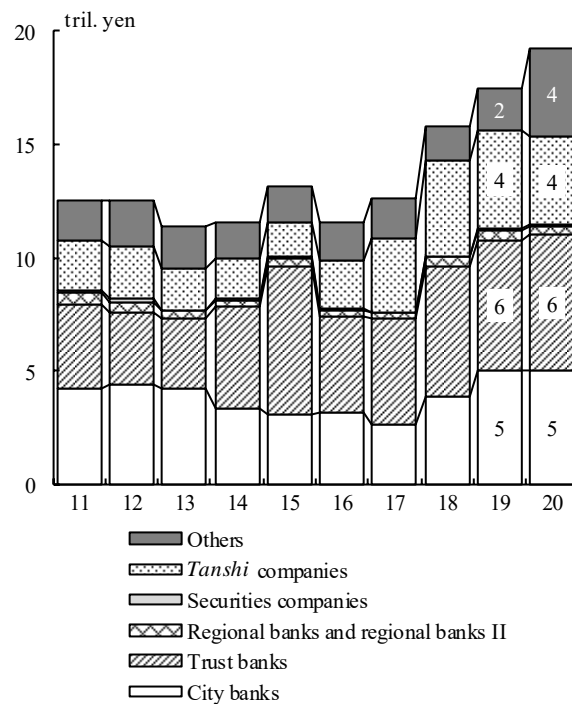
The amount outstanding of investment in CP increased from the previous year due to an increase in the amount of issuance of CP reflecting an expansion in firms' cash borrowing need.

Amount Outstanding of Investment in T-Bills and CP

Amount Outstanding of Investment in T-Bills



Amount Outstanding of Investment in CP

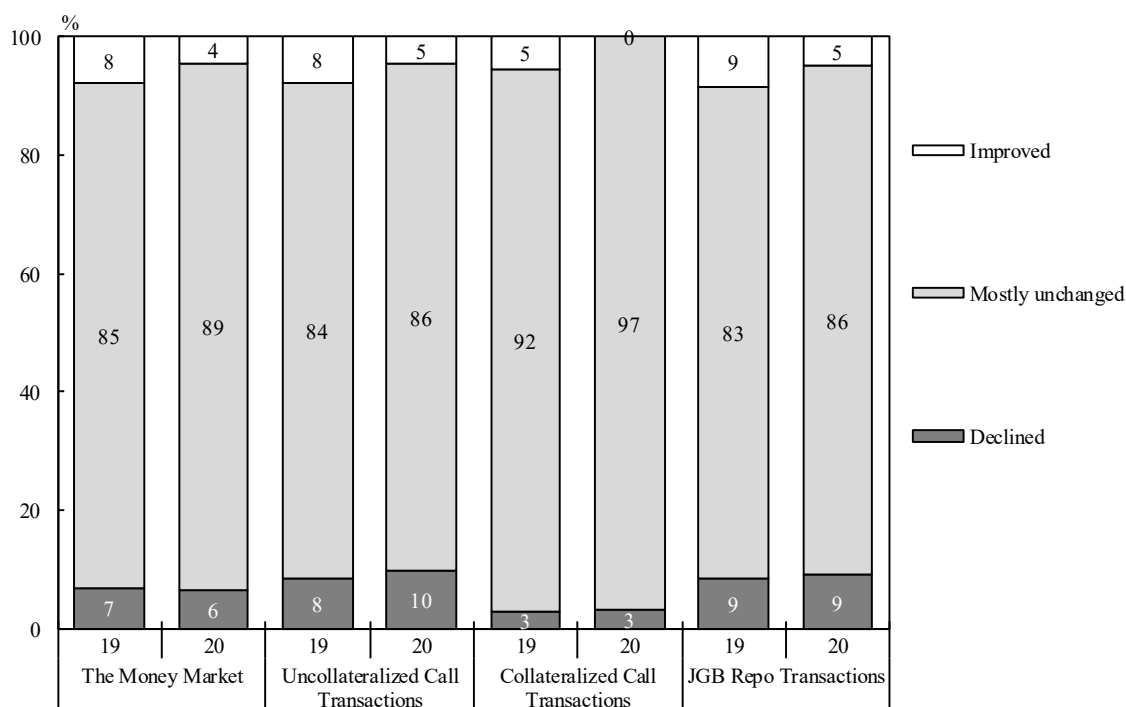


6. Perceptions of Market Participants on the Functioning of the Money Market

With respect to the functioning of the money market, the share of respondents who answered that it had "declined" was at the same level as the previous year, at around 10 percent, and over 90 percent of all respondents answered that it remained "mostly unchanged."

By type of transaction, the amount outstanding of both call (uncollateralized and collateralized) and repo transactions remained generally unchanged from the previous year, and over 80 percent of all respondents answered that the functioning of market transactions remained "mostly unchanged."

Perceptions of Market Participants on the Functioning of the Money Market⁸



⁸ For "The Money Market," responses were obtained only from those that were engaged in some kind of contracts for call transactions or JGB repo transactions. For "Uncollateralized Call Transactions," "Collateralized Call Transactions," and "JGB Repo Transactions," responses were obtained only from those that were engaged in uncollateralized call transactions, collateralized call transactions, and contracts for JGB repo transactions, respectively.

[BOX 1] Impact of COVID-19 on Functioning and Operations

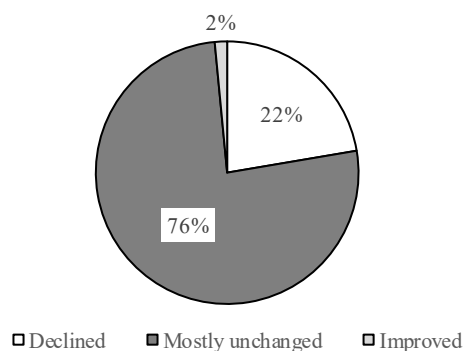
This box describes the impact of COVID-19 on the functioning of the money market and the respondents' operations in market divisions.

(1) Functioning of the Money Market

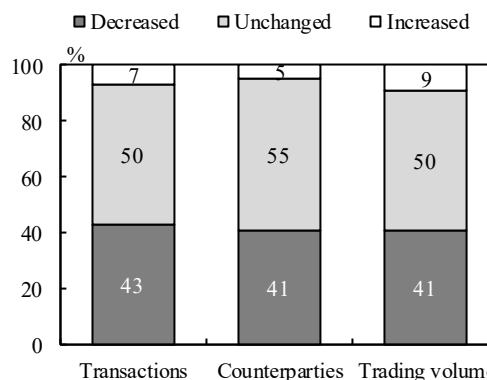
As stated in "6. Perceptions of Market Participants on the Functioning of the Money Market," the majority of respondents viewed that the functioning of the money market was generally unchanged from the previous year. However, around 20 percent of the respondents indicated that market functioning had "declined" during the period when the state of emergency was in place (Chart 1).

Of those that indicated that the functioning had "declined," around 40 percent answered that they decreased the number of transactions, the number of counterparties and the trading volume (Chart 2). Some of the respondents cited as the background that "the number of transactions was reduced to streamline workload during the COVID-19 pandemic" and "some of the arbitrage trading had to be eliminated due to resource constraints." It thus shows that operational constraints had a certain impact on their transactions.

(Chart 1) Functioning during the State of Emergency⁹



(Chart 2) Changes in Transaction Behavior of Respondents Who Answered "Declined"



(2) Responses regarding Business Operations

The respondents experienced significant changes in their business operations in market divisions due to the spread of COVID-19. A summary of the changes in the market divisions during the period when the state of emergency was in place and the operational changes after the state of emergency was lifted is described below by investor type.¹⁰

⁹ Responses were obtained only from those that were engaged in some kind of contracts for call transactions or JGB repo transactions during the month of July 2020. The same applies to Chart 2.

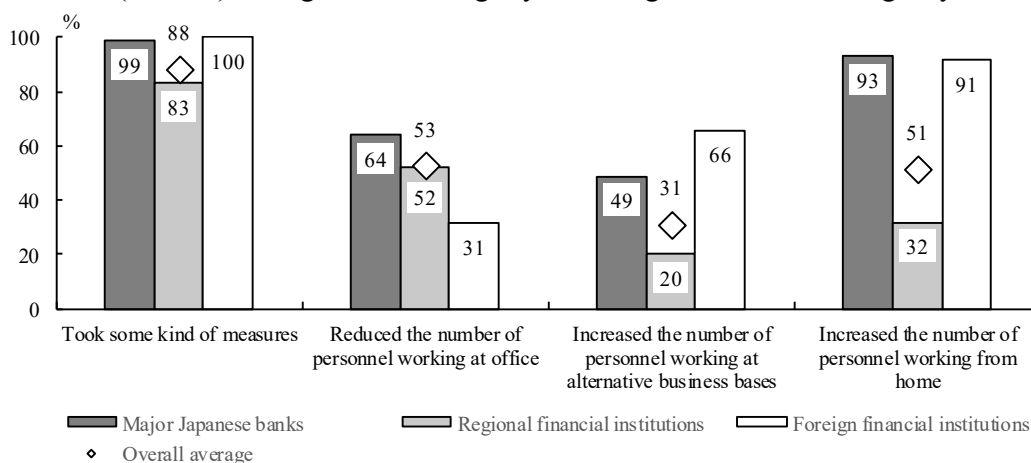
¹⁰ In Box 1, financial institutions are classified into "major Japanese banks," "regional financial institutions," and "foreign financial institutions." "Major Japanese banks" refers to city banks, trust

1. Changes in Working Styles during the State of Emergency

Most respondents in all investor types indicated that some kind of changes in working styles were implemented (Chart 3).

The respondents who answered that they "reduced the number of personnel working at office" by enabling employees to work from home accounted for around 60 percent in major Japanese banks, around 50 percent in regional financial institutions, and around 30 percent in foreign financial institutions. Regarding this point, some major banks commented that they "first asked employees to stay at home because it took some time to establish systems or facilities to enable working from home." Some regional financial institutions stated that they "could not streamline workload very much because of the constraints on staff and business bases." Meanwhile, foreign financial institutions mentioned that they "were able to implement measures relatively early by following the footsteps of their offices overseas, and switched to working from home without having to ask employees to stay at home."

(Chart 3) Changes in Working Styles during the State of Emergency



Regarding the percentage of the respondents who "increased the number of personnel working at alternative business bases" and "increased the number of personnel working from home," that of major Japanese banks and that of foreign financial institutions significantly exceeded the overall average, while that of regional financial institutions fell below the average. Regarding this point, some regional financial institutions stated that they "partitioned off the main office instead of enabling employees to work from home because their business bases either had only few infections or were not located in the prefectures designated as 'Prefectures

banks, *keitou* financial institutions (central organizations of financial cooperatives), securities companies, *tanshi* companies and securities finance companies, and other financial institutions. "Regional financial institutions" refers to regional banks, regional banks II, and *shinkin* banks. "Foreign financial institutions" includes branches of foreign banks in Japan and foreign securities companies.

under Specific Cautions" and they "were unable to set up a work-from-home environment due to resource constraints."

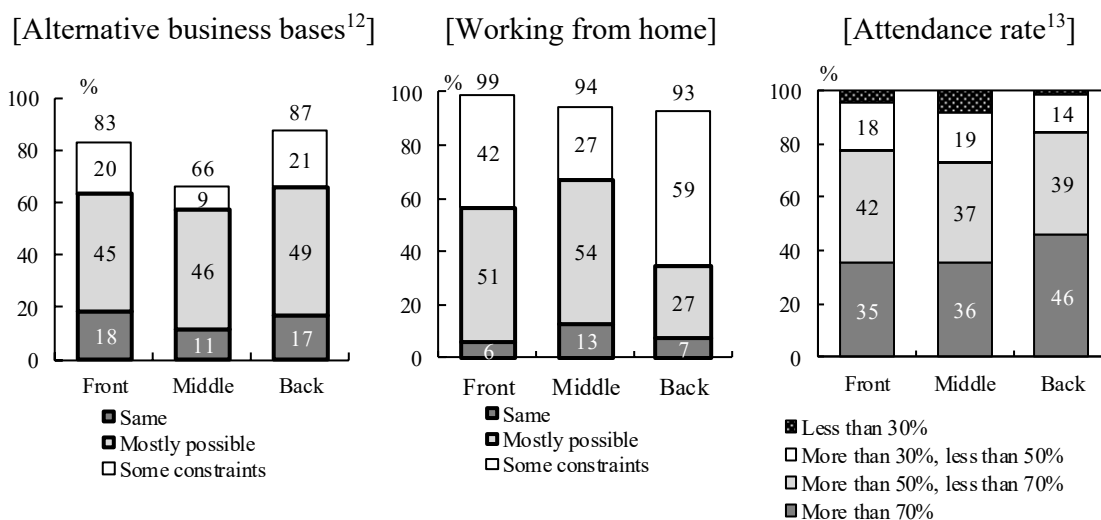
2. Status of Operations after the State of Emergency

Many financial institutions have been continuously revising their operational systems even after the state of emergency was lifted. Their status of operations as of the end of July 2020 are summarized below.

(a) Major Japanese Banks

Around 60 to 70 percent of major Japanese banks stated that at their alternative business bases they were "able to perform the same or nearly the same operations as at the main office" in the front, middle, and back offices.¹¹ The percentage of the respondents who provided similar responses concerning working from home was around 60 to 70 percent for the front and middle offices, whereas only around 30 percent for the back office. As for the attendance rate at the main office as of the end of July, they answered "70 percent or more" more often at the back office than at the front or middle office.

(Chart 4-a) Status of Operations after the State of Emergency Was Lifted



¹¹ The sum of "able to perform almost the same operations as at the main office" and "able to perform nearly the same operations although there are some constraints on facilities, etc." in Chart 4. Area framed by bold lines in the chart. The same applies to the remainder of the paper.

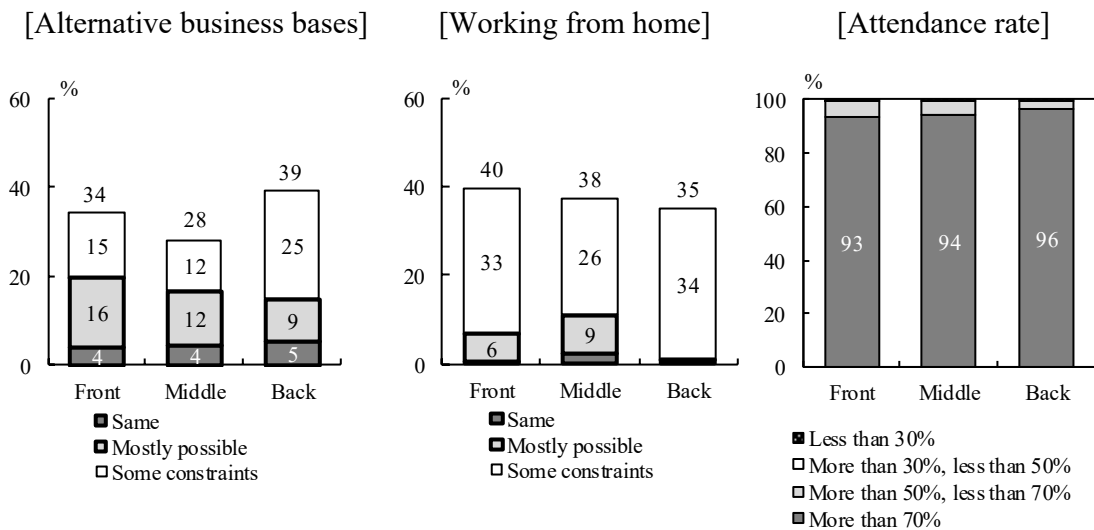
¹² In the chart, "same" refers to the percentage of respondents who answered that they were "able to perform almost the same operations as at the main office," "mostly possible" refers to the percentage of respondents who answered that they were "able to perform nearly the same operations although there are some constraints on facilities, etc." and "some constraints" refers to the percentage of respondents who answered that they were "unable to perform many operations due to constraints on facilities, etc." In addition, the figure shown at the top of each bar chart is the total of the three choices, indicating the percentage of respondents who have established alternative business bases or a work-from-home environment. The same applies to the remainder of the paper.

¹³ Indicates the percentage of attendance at main offices as of the end of July 2020. The same applies to the remainder of the paper.

(b) Regional Financial Institutions

Less than 20 percent of regional financial institutions stated that they were "able to perform the same or nearly the same operations as at the main office" at their alternative business bases in the front, middle, and back offices. Furthermore, the most responses regarding working from home were that it was "not effective due to constraints on facilities, etc." in all of the front, middle, and back offices. Many regional financial institutions responded that they "partitioned off their main offices" or "split work shifts" rather than enabling employees to work at alternative business bases or from home. As for the attendance rate at main offices as of the end of July, in contrast with other investor types, more than 90 percent of regional financial institutions said that it was "70 percent or more" in all of the front, middle, and back offices.

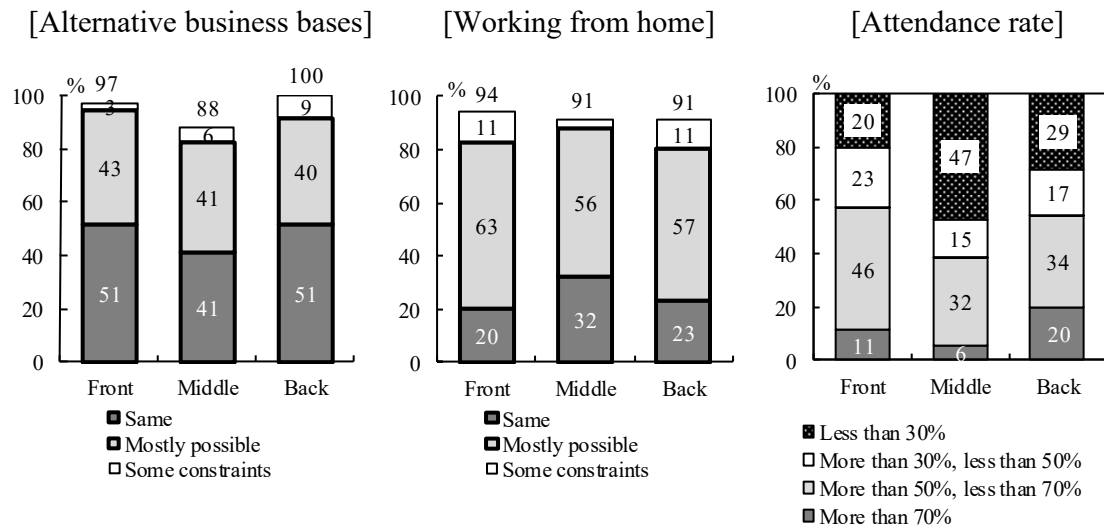
(Chart 4-b) Status of Operations after the State of Emergency Was Lifted



(c) Foreign Financial Institutions

More than 80 percent of foreign financial institutions stated that at their alternative business bases and by working from home they were "able to perform the same or nearly the same operations as at the main offices." As the background, foreign financial institutions stated that they "were able to respond quickly by following the measures implemented by their overseas offices, such as those in Europe and the United States during the lockdowns." This led only a few of them to respond that the attendance rate at main offices as of the end of July was "70 percent or more," and a remarkably large number of them to respond that it was "less than 30 percent," compared to other investor types.

(Chart 4-c) Status of Operations after the State of Emergency Was Lifted



As described above, although foreign financial institutions seem to have been able to cover most of the operations in the front, middle, and back offices by working at alternative business bases and from home, there were substantial constraints on operations in the back offices of major Japanese banks and in all of the front, middle, and back offices of regional financial institutions.

The Bank of Japan seeks to appropriately ascertain the impact of the spread of COVID-19 on future operations and market functioning by having dialogue with market participants and to provide support for the initiatives they implement.

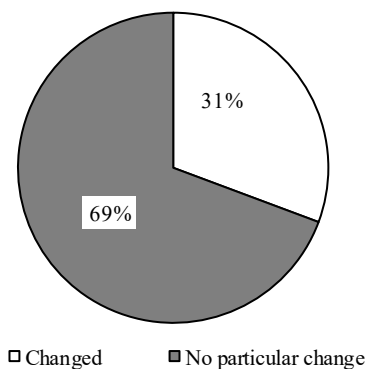
[BOX 2] Impact of Revision of Regulations on Large Credit Providers

This box summarizes the impact of the revision of regulations on large credit providers¹⁴ implemented on April 1, 2020, on the money market. The results were as follows.

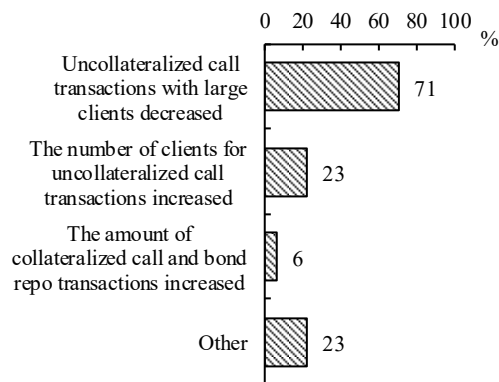
When asked about methods of investment of short-term funds after the revision, around 70 percent of respondents answered that there was "no particular change" and many respondents said the overall impact on transactions was not significant (Chart 5). By investor type, although relatively few securities companies and trust banks (including investment trusts) answered that "there were changes," a comparatively high number of regional banks and *keitou* financial institutions (central organizations of financial cooperatives) answered that "there were changes."

When the respondents who said there were changes in the methods of investment were asked about the specific changes, the most frequent response was "uncollateralized call transactions with large clients decreased." In addition, some respondents answered, "the number of clients for uncollateralized call transactions increased" (Chart 6). Additionally, respondents who answered "other" said "the credit limits set for each financial institution were reduced."

(Chart 5) Methods of Investment of Short-Term Funds after the Revision¹⁵



(Chart 6) Changes in Investment Methods by Respondents Who Answered "Changed"¹⁶



¹⁴ This refers to revisions of, for example, the Cabinet Orders and Cabinet Office Orders mainly under the "Cabinet Order for Partial Revision of the Order for Enforcement of the Banking Act" that was promulgated on October 30, 2019, and took effect on April 1, 2020.

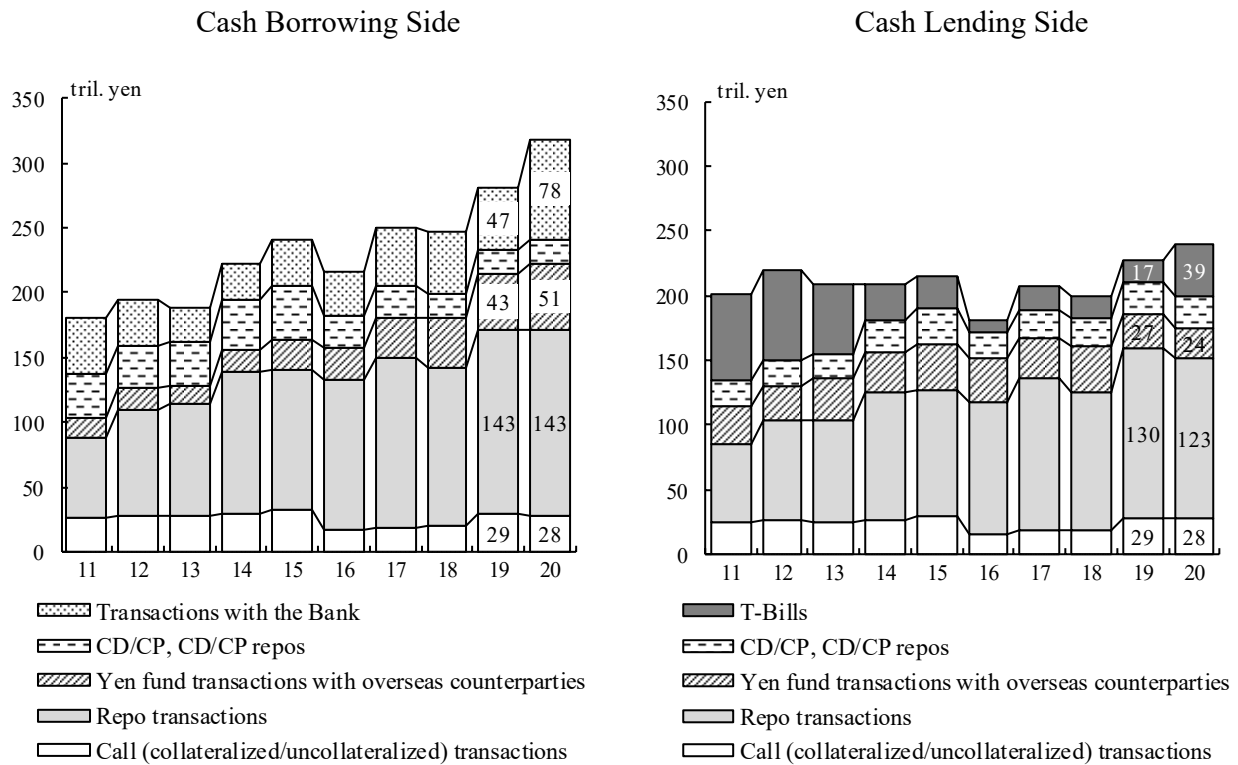
¹⁵ Responses were obtained only from those that were engaged in some kind of contracts for call transactions or JGB repo transactions during the month of July 2020. "Changed" in the Chart 5 indicates the percentage of respondents who provided responses in Chart 6.

¹⁶ Multiple answers were allowed.

Charts

Chart 1	Amount Outstanding in the Money Market	18
Chart 2	Amount Outstanding in the Money Market by Investor Type	19
Chart 3	Amount Outstanding of Fund Lending by Institutions Eligible and Those Not Eligible for Remuneration	20
Chart 4	Amount Outstanding in the Call Market and the Ratio of Collateralized Transactions	20
Chart 5	Amount Outstanding in the Uncollateralized Call Market by Investor Type	21
Chart 6	Amount Outstanding in the Uncollateralized Call Market and the Ratio of Non-Group Direct Dealing (DD) Transactions	21
Chart 7	Amount Outstanding in the Uncollateralized Call Market by Term	22
Chart 8	Number of Credit Lines Established	22
Chart 9	Amount Outstanding in the Collateralized Call Market by Investor Type	23
Chart 10	Amount Outstanding in the Collateralized Call Market by Term	23
Chart 11	Frequency of Call Transactions	24
Chart 12	Amount Outstanding in the Repo Market	25
Chart 13	Amount Outstanding in the Repo Market by Settlement Type	26
Chart 14	Amount Outstanding in the GC Repo Market by Investor Type	27
Chart 15	Amount Outstanding in the GC Repo Market by Term	27
Chart 16	Amount Outstanding in the GC Repo Market by Starting Date	28
Chart 17	Amount Outstanding in the SC Repo Market by Investor Type	29
Chart 18	Amount Outstanding in the SC Repo Market by Term	30
Chart 19	Frequency of Repo Transactions	30
Chart 20	Amount Outstanding of Investment in T-Bills and CP	31
Chart 21	Amount Outstanding of Japanese Yen Fund Transactions with Overseas Counterparties by Investor Type	32
Chart 22	Yen Overnight Index Swap Market	33
Chart 23	Amount Outstanding in the Equity Repo Market	34
Chart 24	Impact of COVID-19	35
Chart 25	Efforts to Shorten the JGB Settlement Cycle	39
Chart 26	Perceptions of Market Participants on Money Market Transactions	40
Chart 27	Degree of Concentration in Each Market	42

Chart 1: Amount Outstanding in the Money Market



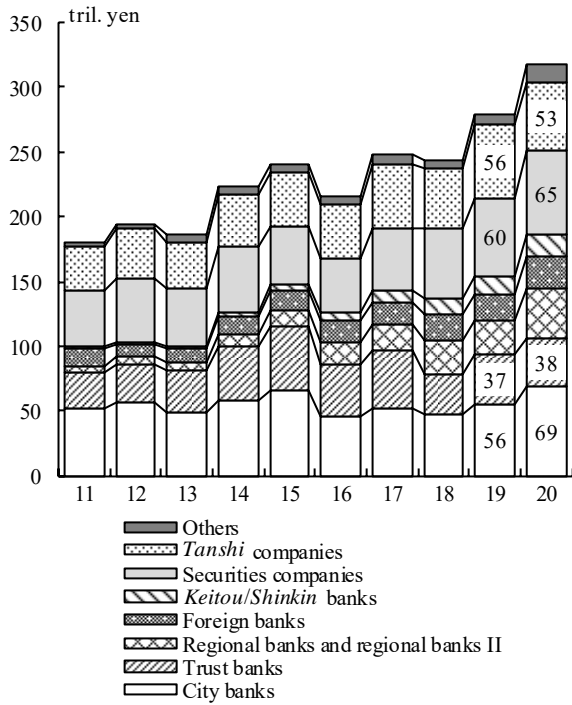
Note: 1. Among call transactions, the figures for uncollateralized call transactions are calculated as total transactions through *tanshi* companies (money market brokers) and direct dealing (DD) transactions (only those made outside of the group; the same applies to the remainder of the paper unless otherwise specified).

2. Transactions with the Bank denote Funds-Supplying Operations against Pooled Collateral, Purchase/Sale of Japanese Government Securities with Repurchase Agreements, Purchases of CP with Repurchase Agreements, Funds-Supplying Operations to Support Financial Institutions in Disaster Areas, Funds-Supplying Operations to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake, Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Provisioning Measure to Support Strengthening the Foundations for Economic Growth, Fund-Provisioning Measure to Stimulate Bank Lending and Complementary Lending.

3. The discrepancies between the figures on the cash lending side and borrowing side are due to constraints regarding the counterparties covered by this survey (e.g., non-residents are not included), and the fact that some types of transactions are recorded only on one side (e.g., transactions with the Bank are recorded only on the cash borrowing side, while treasury discount bills [T-Bills] are recorded only on the lending side).

Chart 2: Amount Outstanding in the Money Market by Investor Type

Cash Borrowing Side



Cash Lending Side

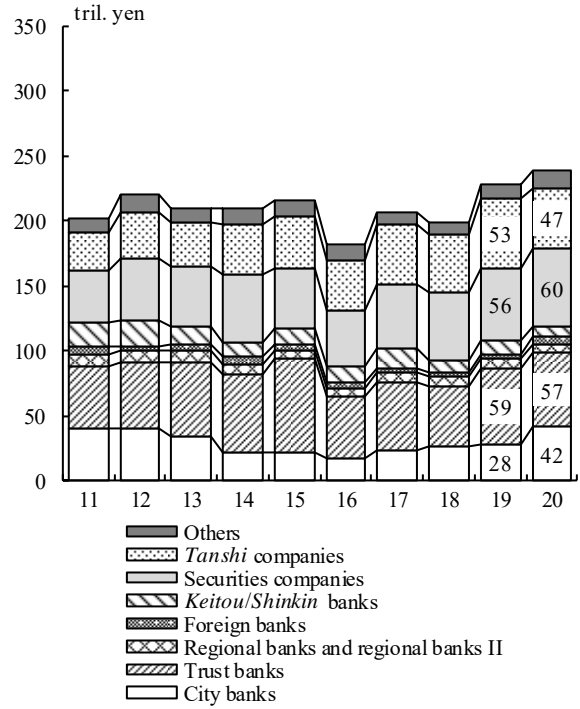
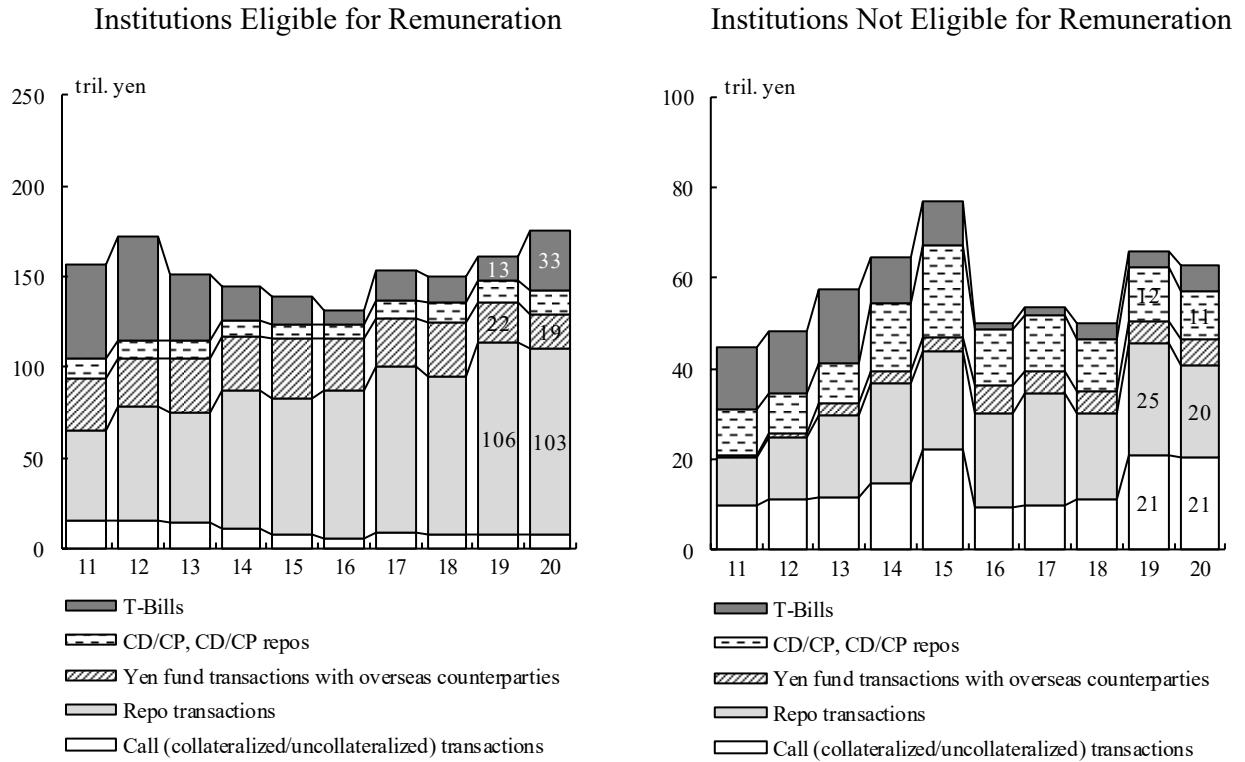
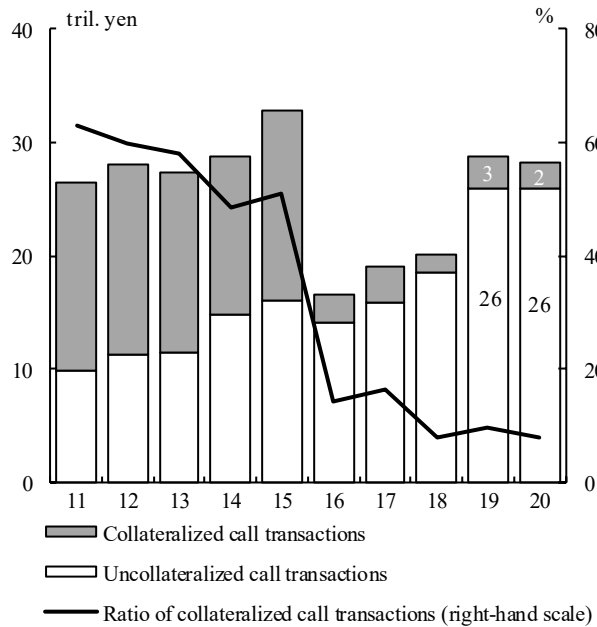


Chart 3: Amount Outstanding of Fund Lending by Institutions Eligible and Those Not Eligible for Remuneration



Note: "Institutions Eligible for Remuneration" refer to respondents eligible for the Complementary Deposit Facility. "Institutions Not Eligible for Remuneration" refer to respondents not eligible for the facility.

Chart 4: Amount Outstanding in the Call Market and the Ratio of Collateralized Transactions



Note: Cash borrowing side.

Chart 5: Amount Outstanding in the Uncollateralized Call Market by Investor Type

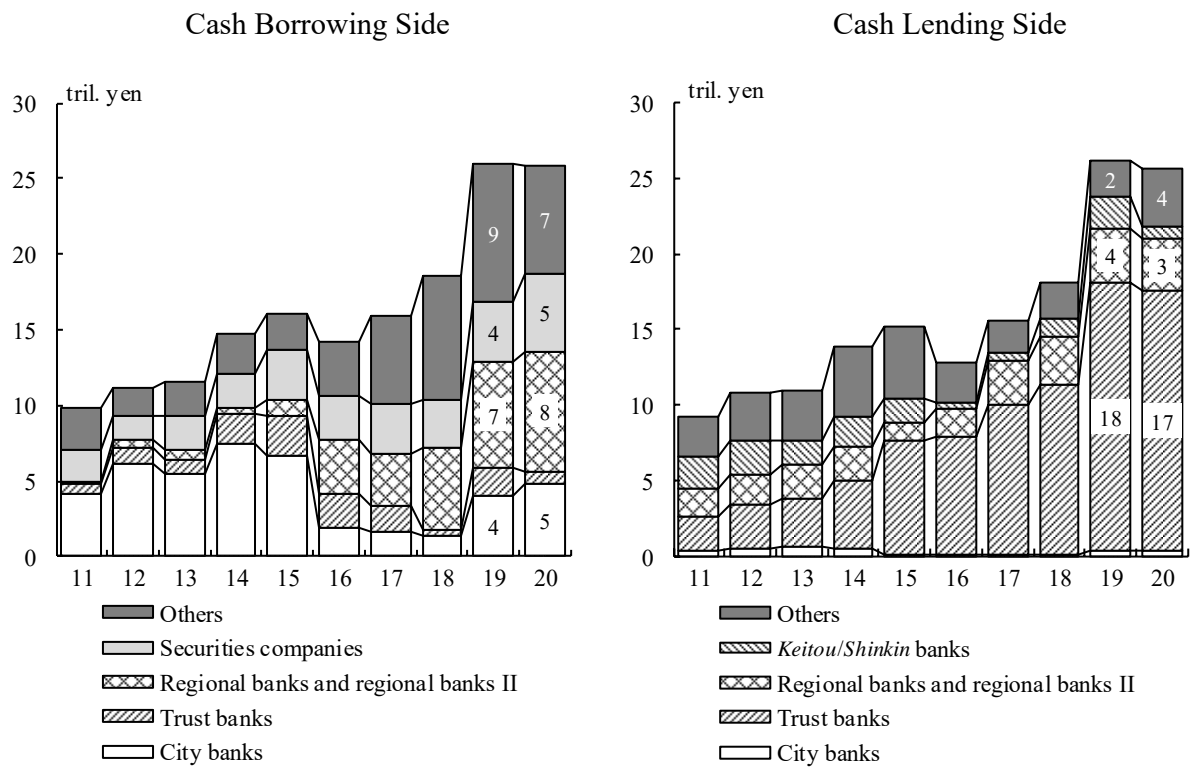
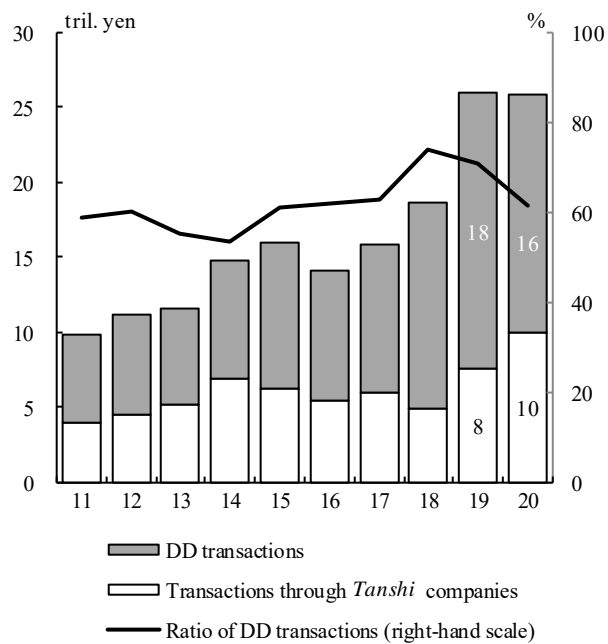
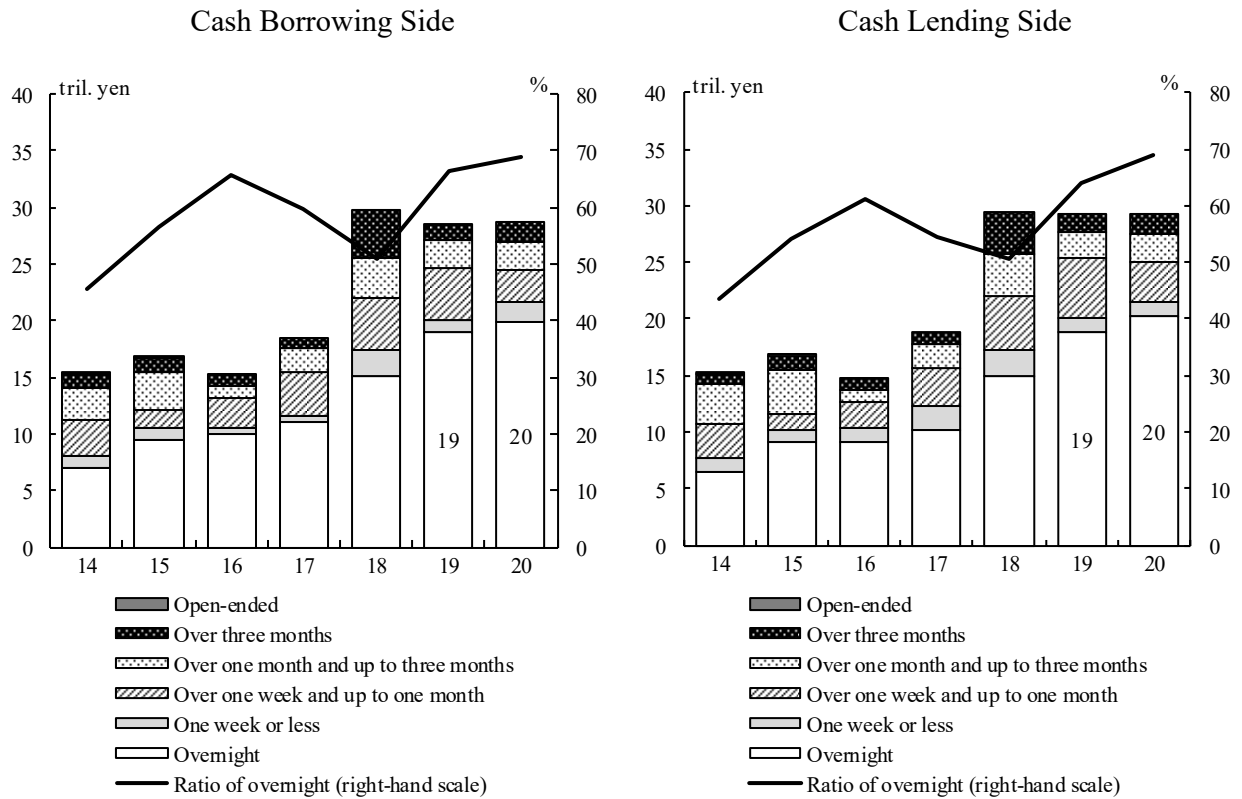


Chart 6: Amount Outstanding in the Uncollateralized Call Market and the Ratio of Non-Group Direct Dealing (DD) Transactions



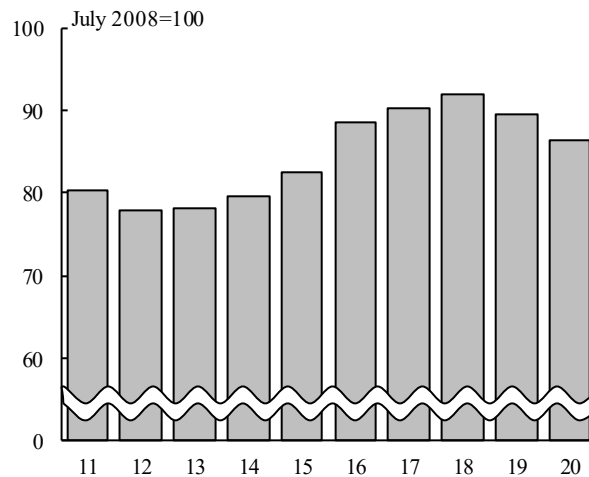
Note: Cash borrowing side.

Chart 7: Amount Outstanding in the Uncollateralized Call Market by Term



Note: Includes intra-group transactions.

Chart 8: Number of Credit Lines Established



Note: Number of respondents whose total number of credit lines established could be confirmed for all years from 2008 to 2020. Adjusted for the effects of mergers and other factors.

Chart 9: Amount Outstanding in the Collateralized Call Market by Investor Type

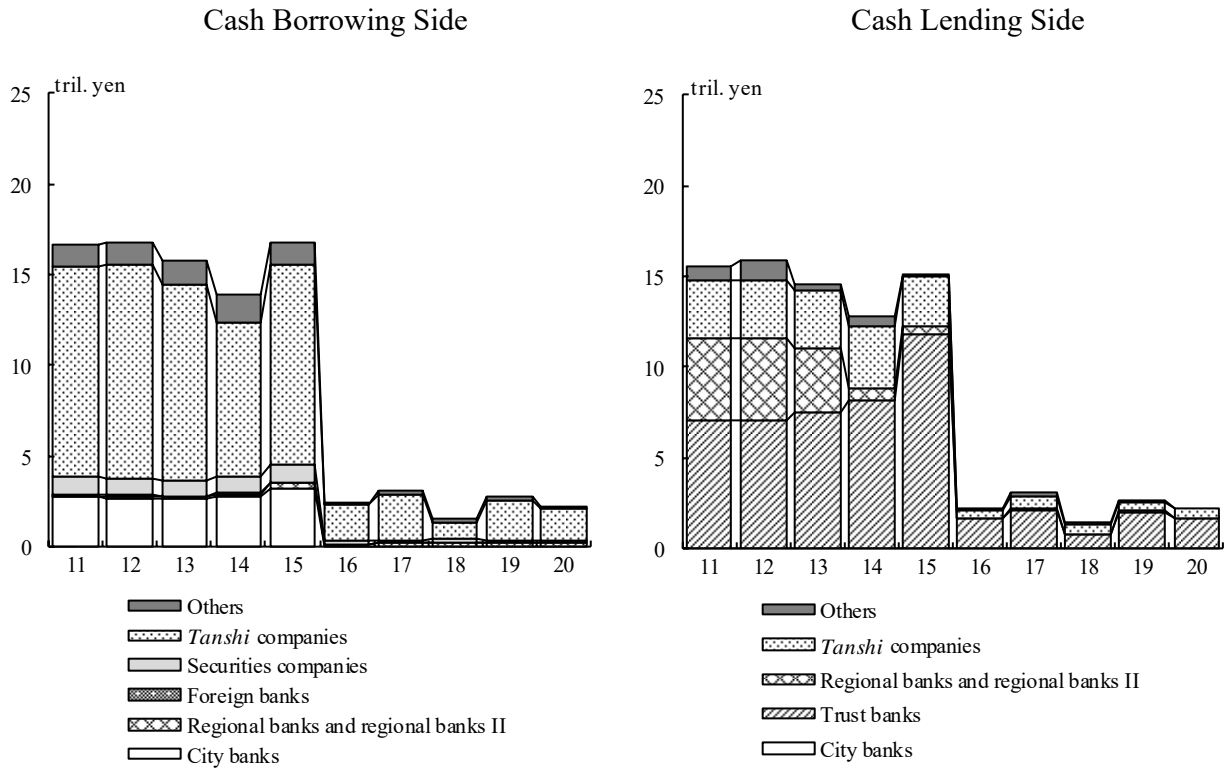


Chart 10: Amount Outstanding in the Collateralized Call Market by Term

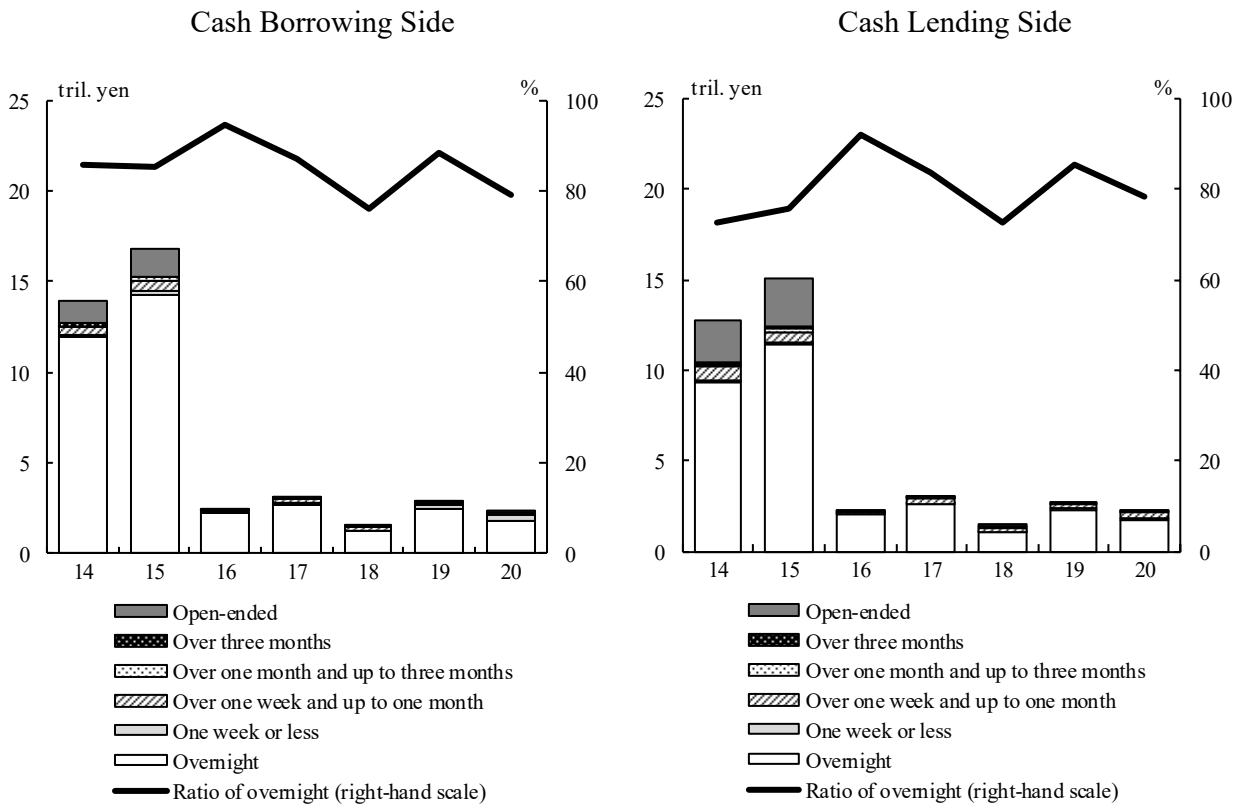
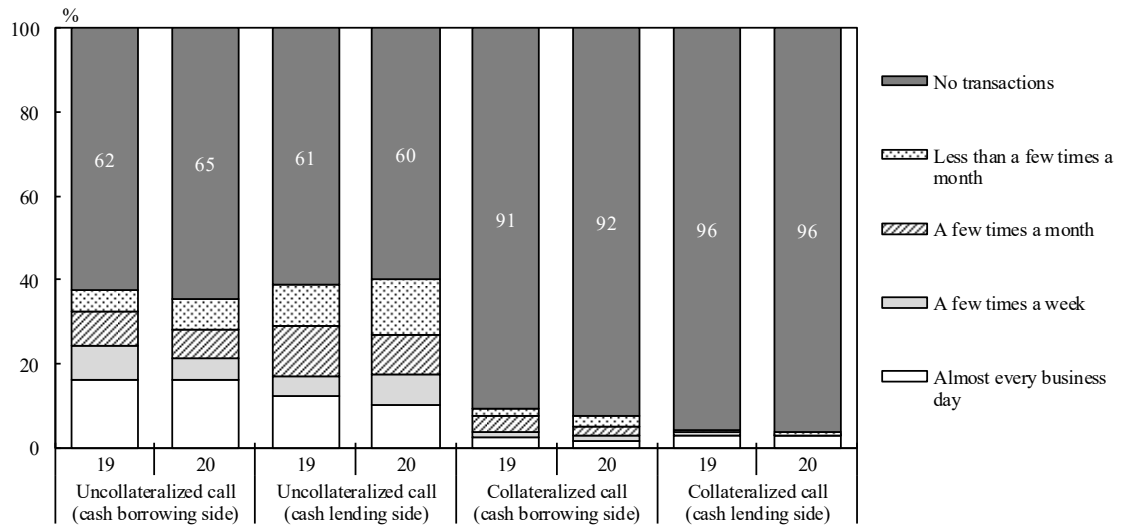
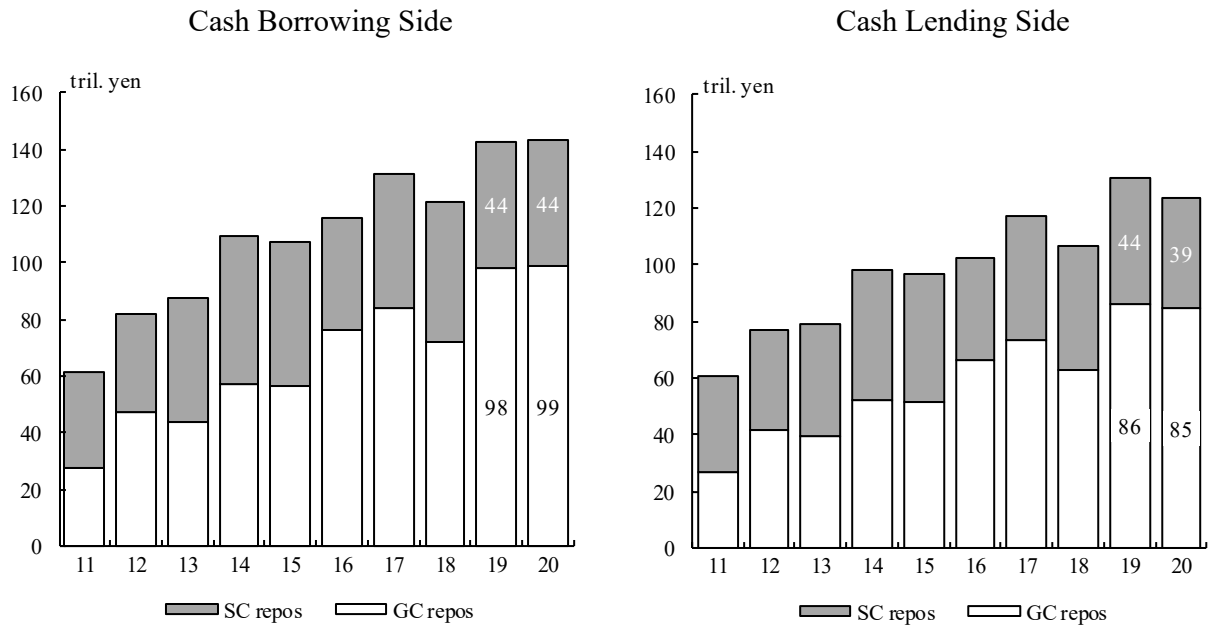


Chart 11: Frequency of Call Transactions



Note: The percentage of respondents is indicated by contract frequency for call transactions.

Chart 12: Amount Outstanding in the Repo Market
By Transaction Type



By Contract Type

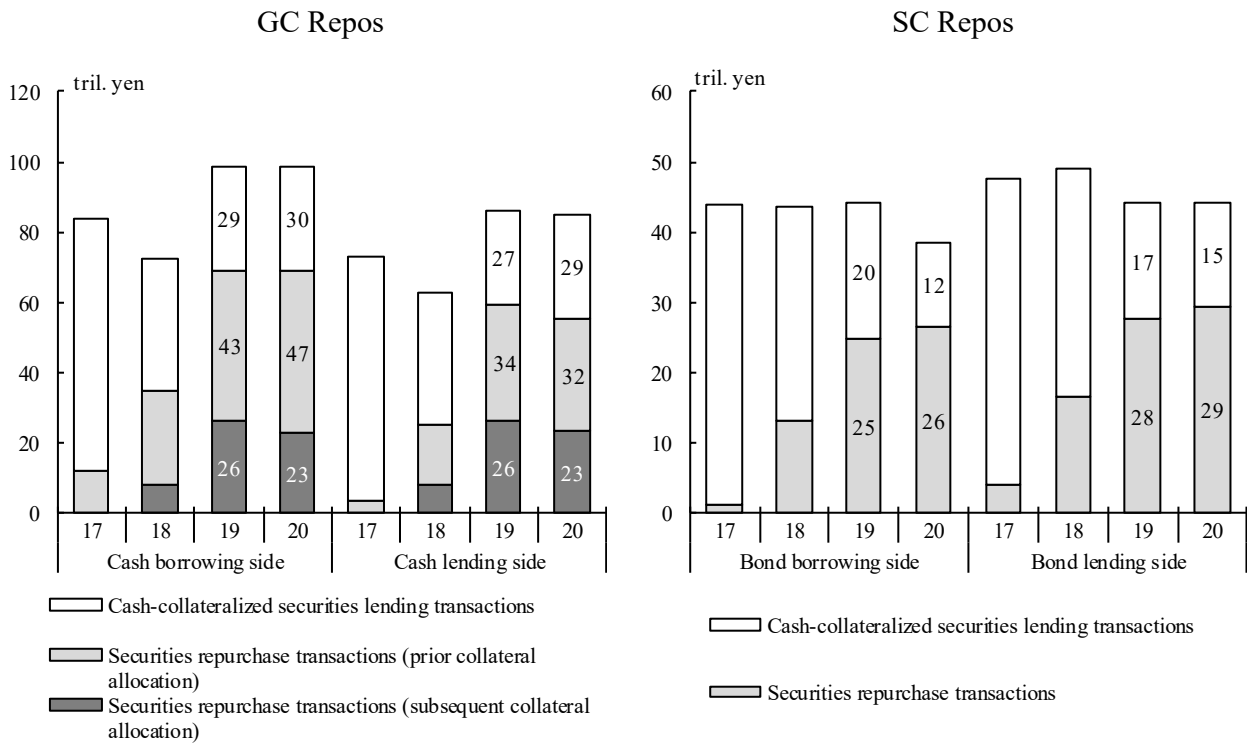
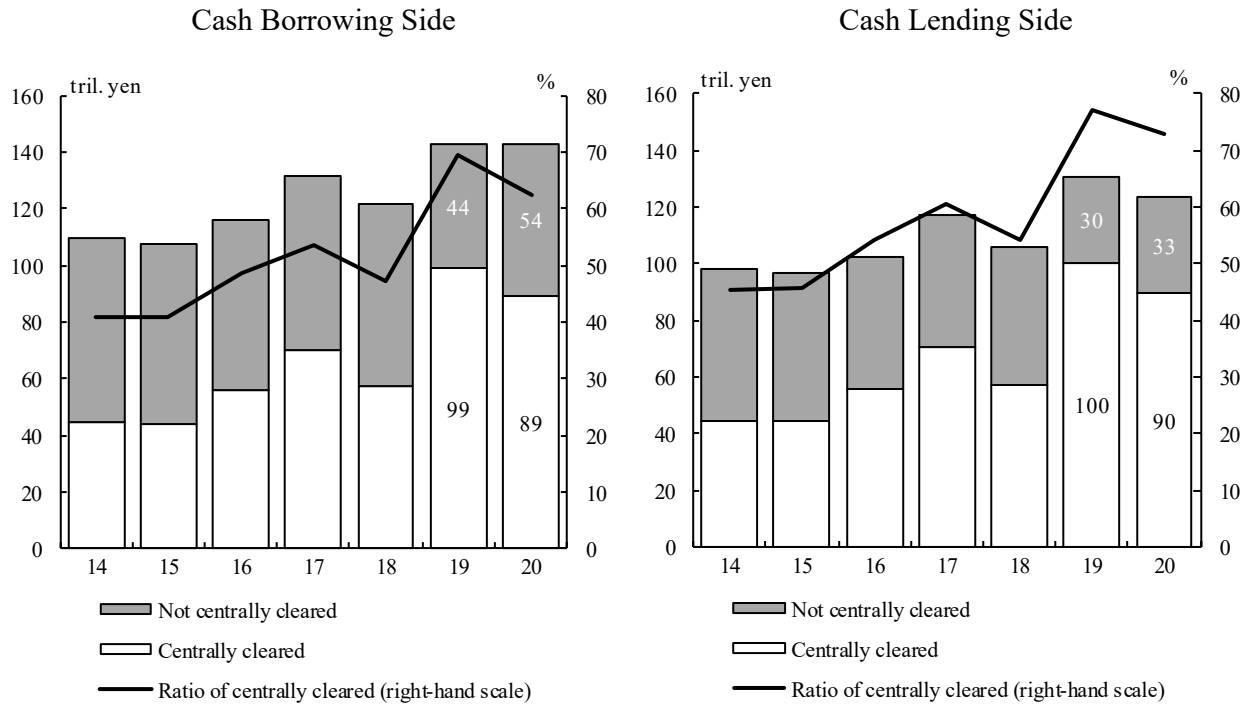


Chart 13: Amount Outstanding in the Repo Market by Settlement Type



Note: "Centrally cleared" refers to transactions cleared by Japan Securities Clearing Corporation (JSCC).

Chart 14: Amount Outstanding in the GC Repo Market by Investor Type

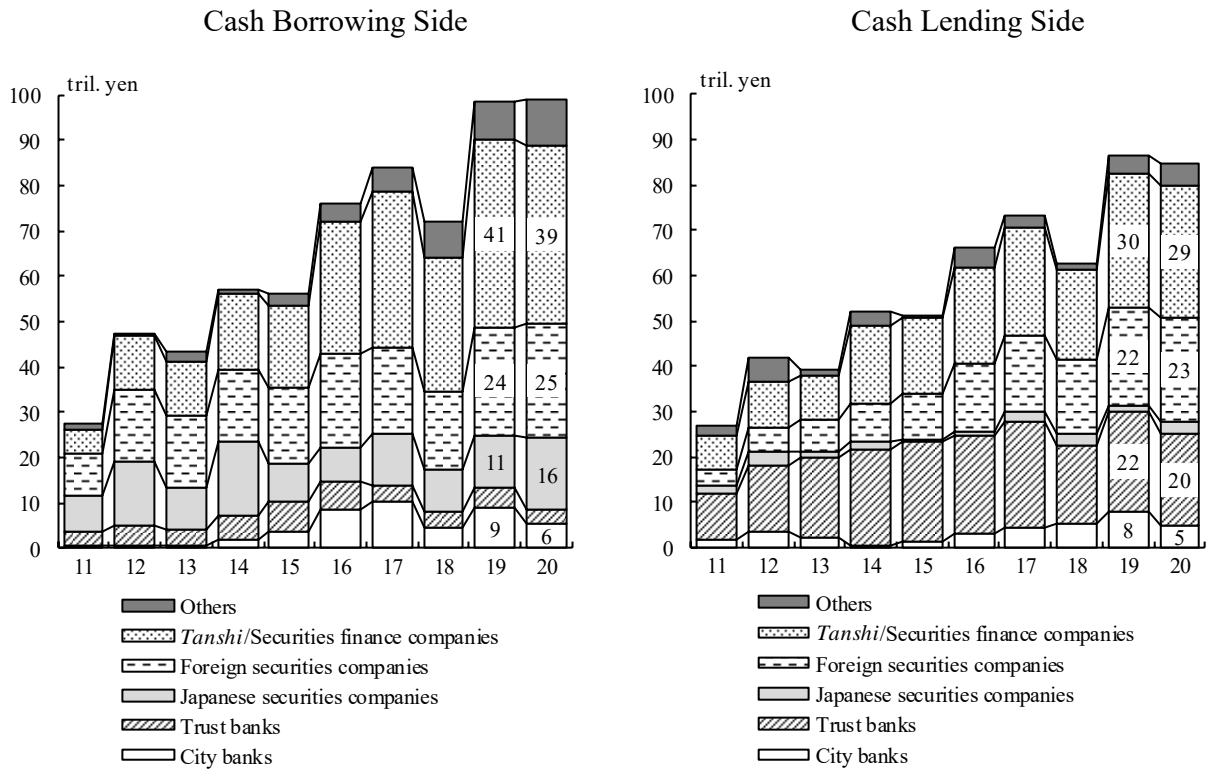


Chart 15: Amount Outstanding in the GC Repo Market by Term

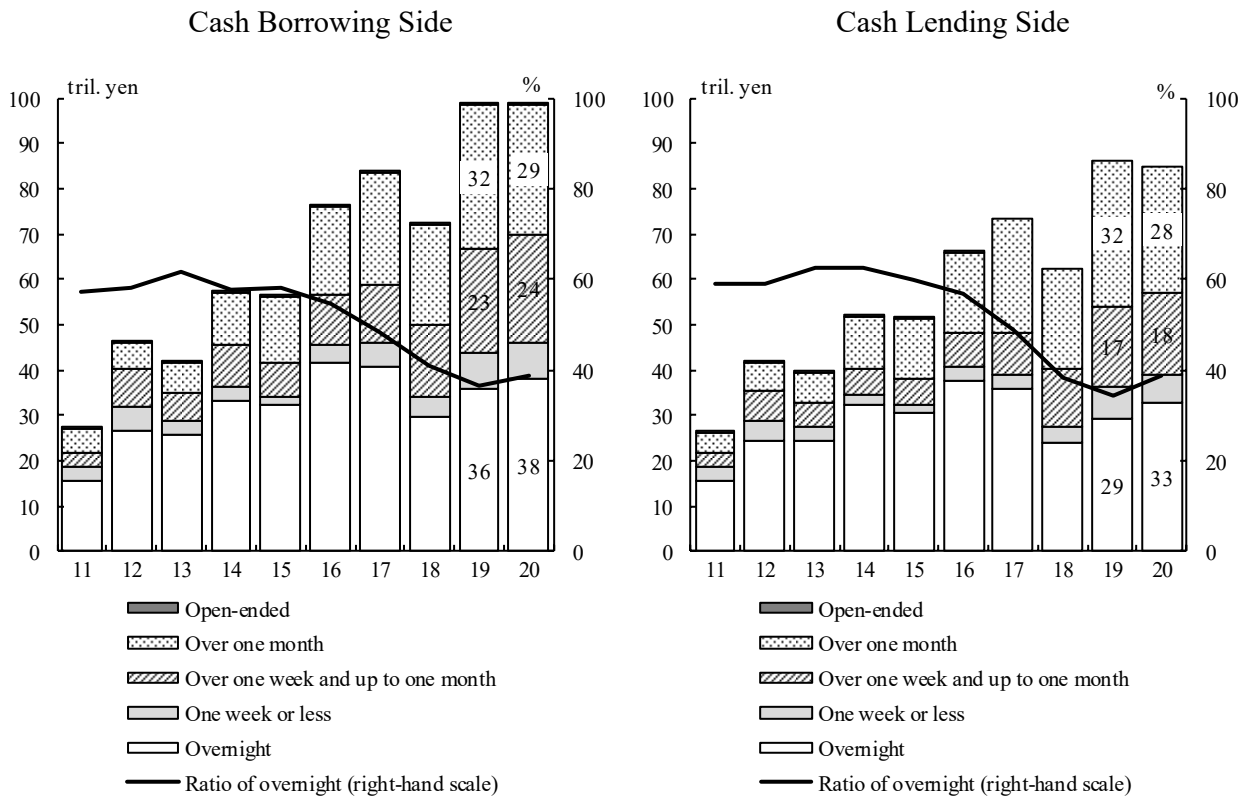
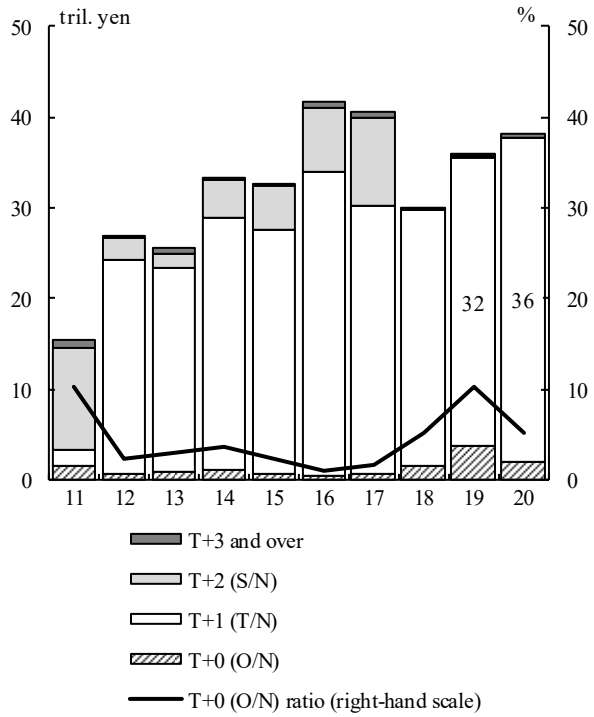


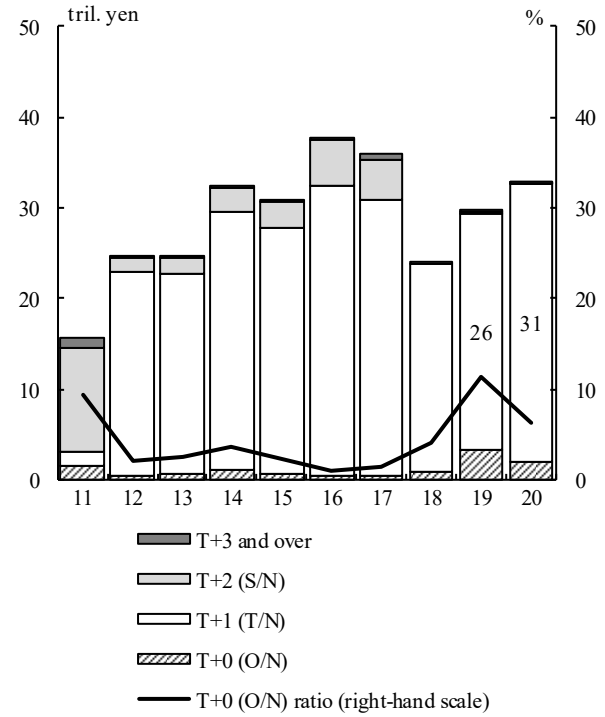
Chart 16: Amount Outstanding in the GC Repo Market by Starting Date

Overnight Transactions

Cash Borrowing Side

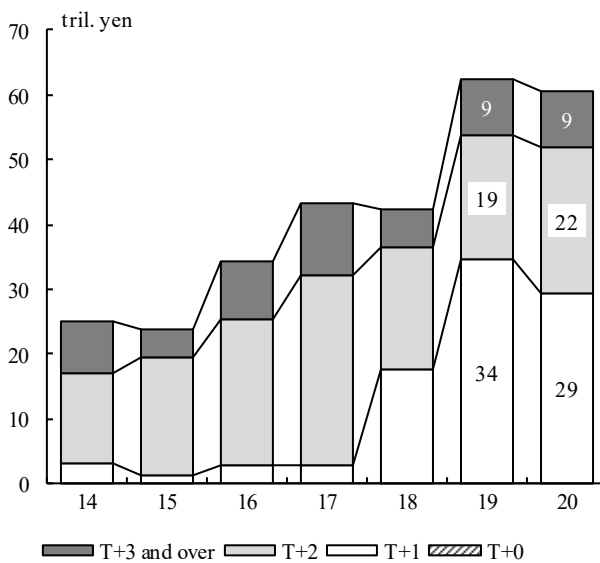


Cash Lending Side



Term Transactions

Cash Borrowing Side



Cash Lending Side

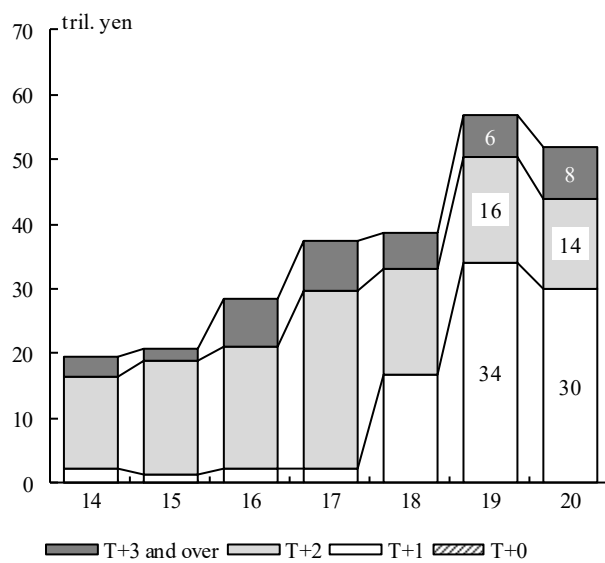


Chart 17: Amount Outstanding in the SC Repo Market by Investor Type

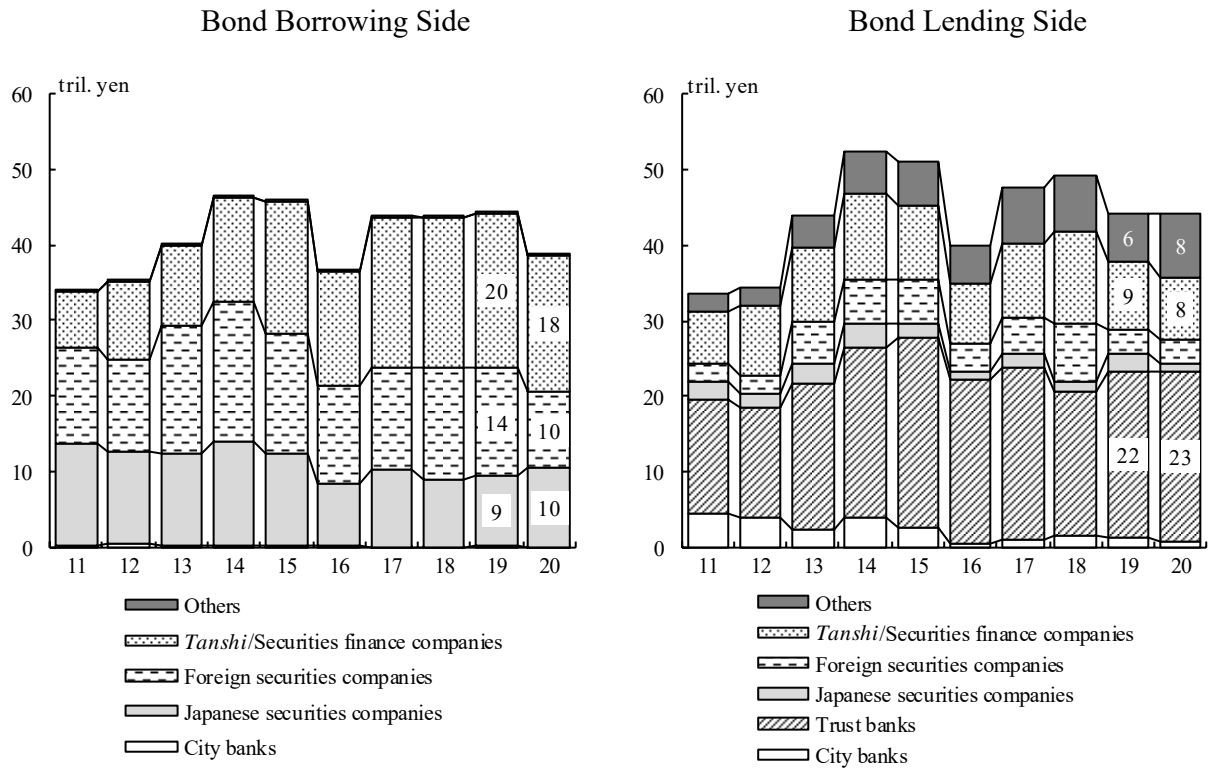
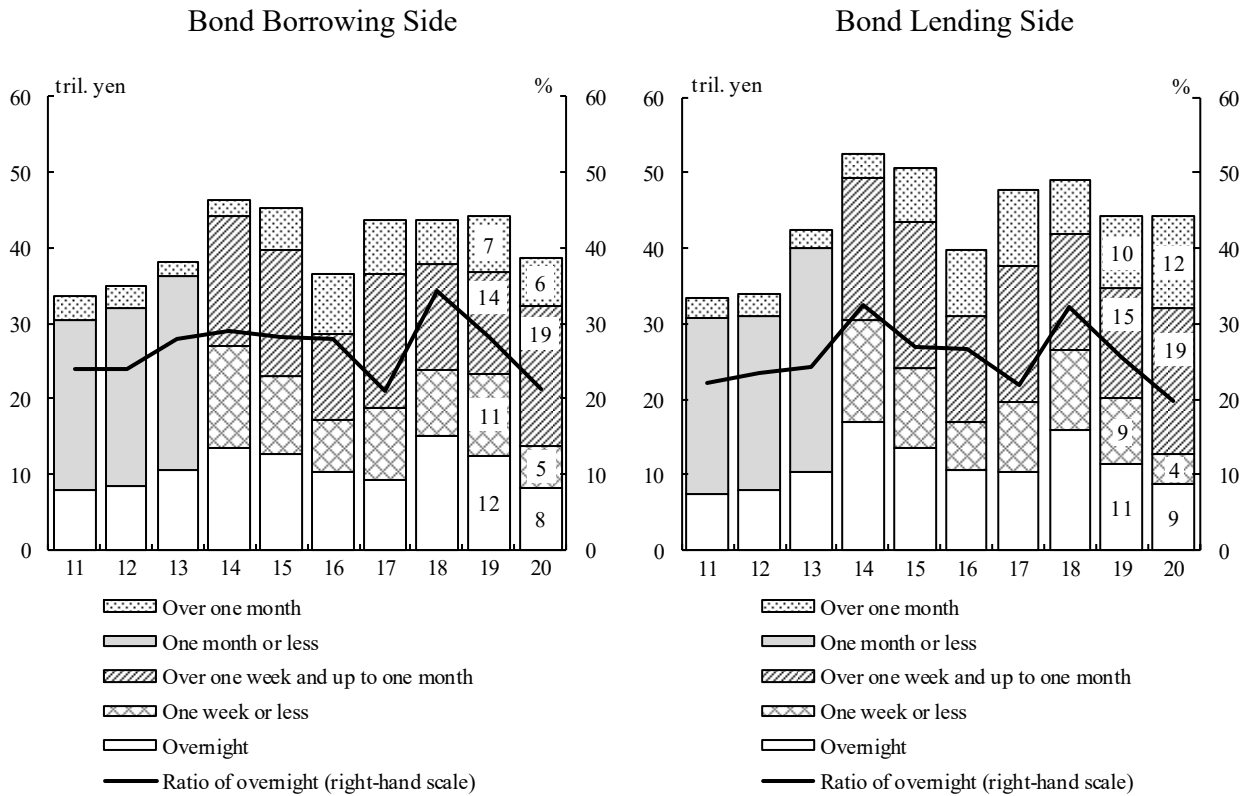
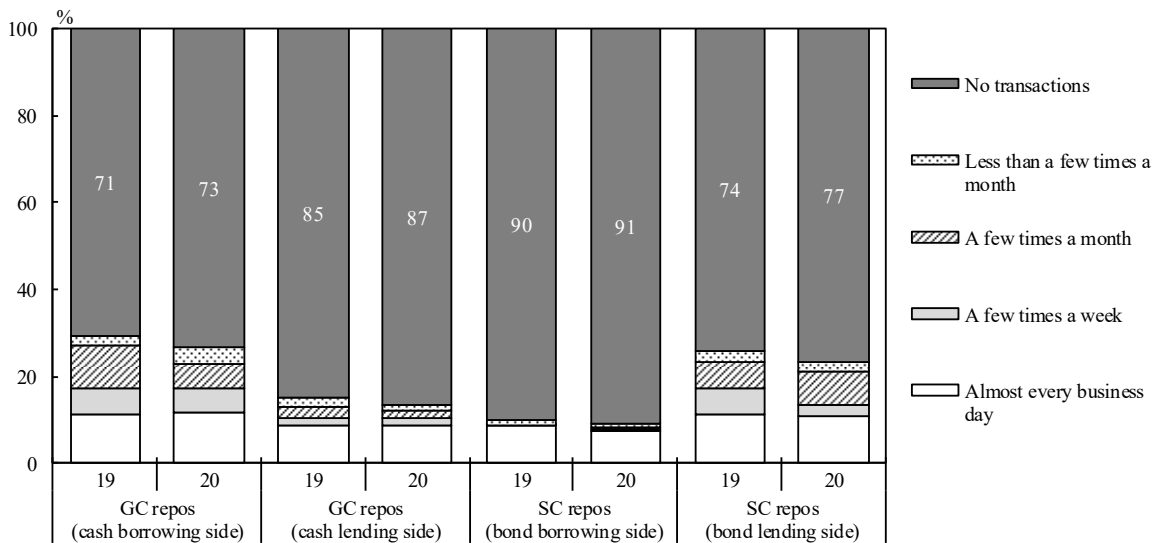


Chart 18: Amount Outstanding in the SC Repo Market by Term



Note: From the 2014 survey, "one month or less" has been subdivided into "one week or less" and "over one week and up to one month."

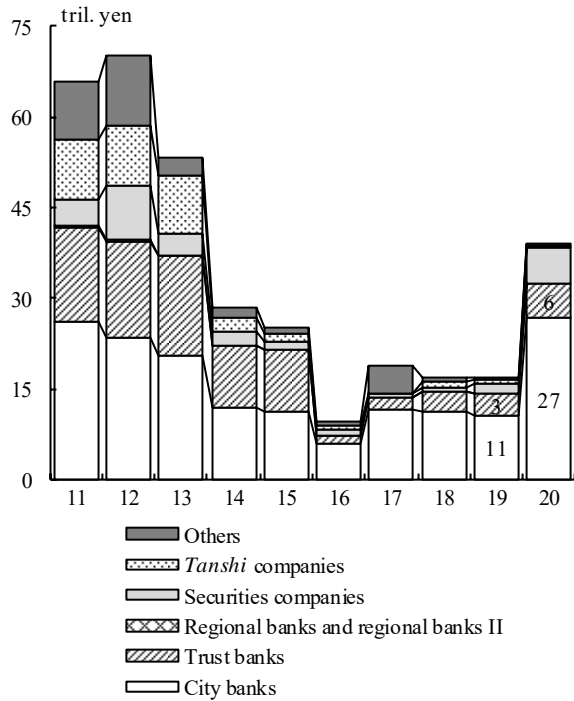
Chart 19: Frequency of Repo Transactions



Note: The percentage of respondents is indicated by contract frequency for repo transactions.

Chart 20: Amount Outstanding of Investment in T-Bills and CP

Amount Outstanding of Investment in T-Bills



Amount Outstanding of Investment in CP

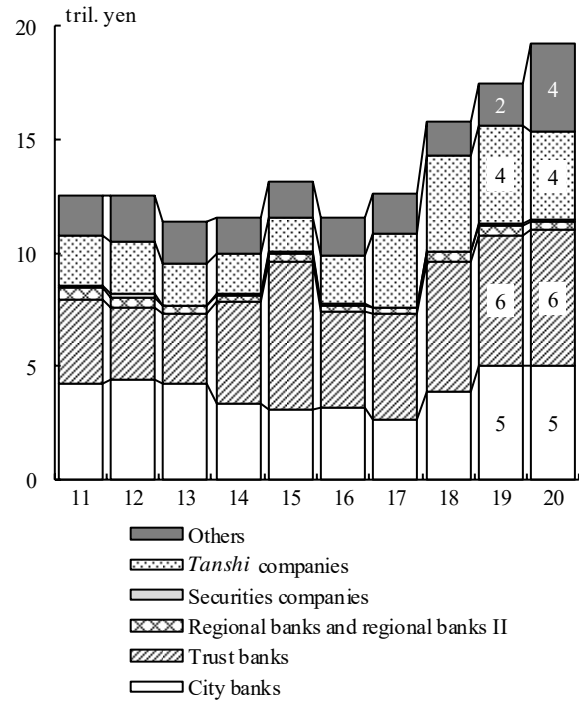
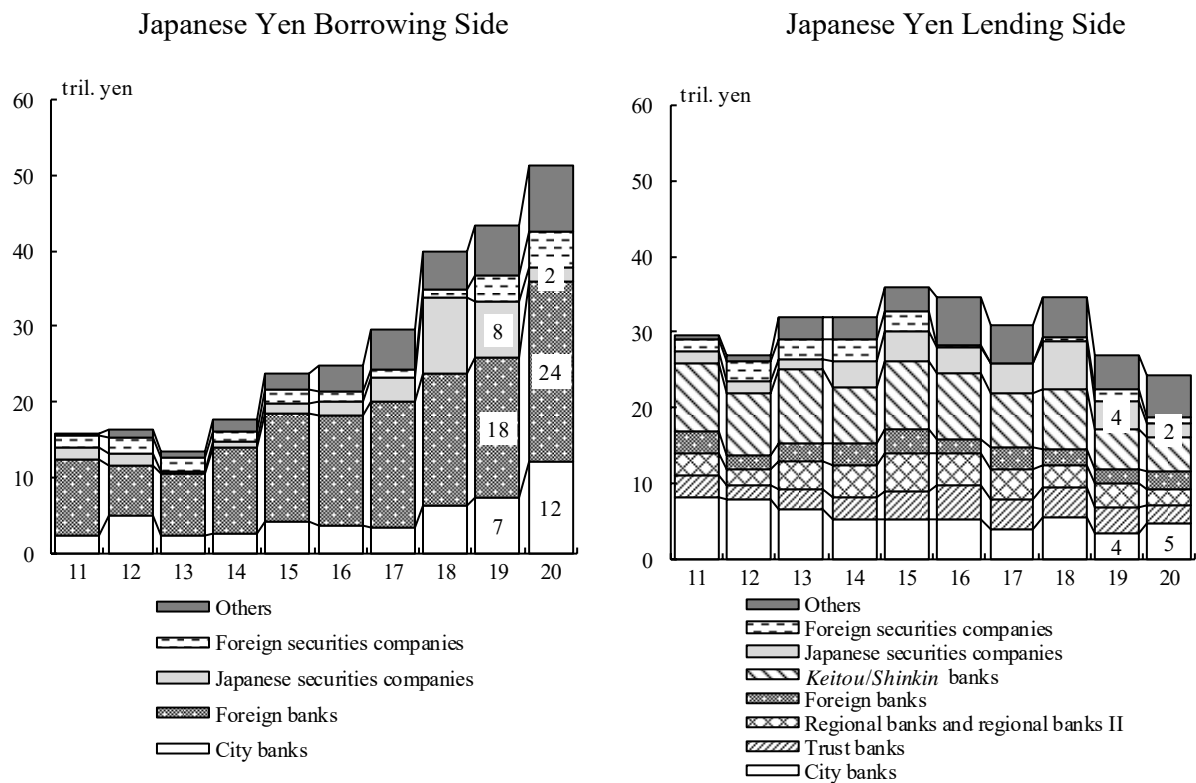
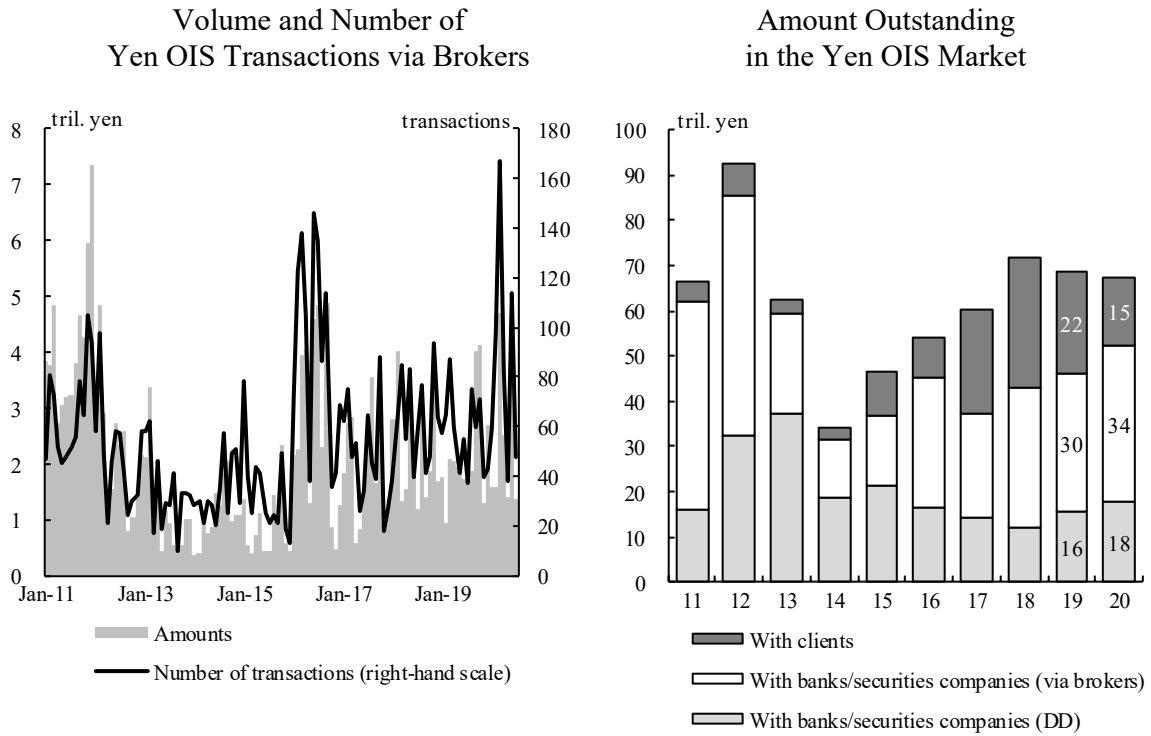


Chart 21: Amount Outstanding of Japanese Yen Fund Transactions with Overseas Counterparties by Investor Type



Note: The total of yen lending/borrowing through FX swaps, euroyen transactions, and with overseas branches and overseas group companies of financial institutions. Excludes transactions with institutional investors and business companies, and other linked transactions.

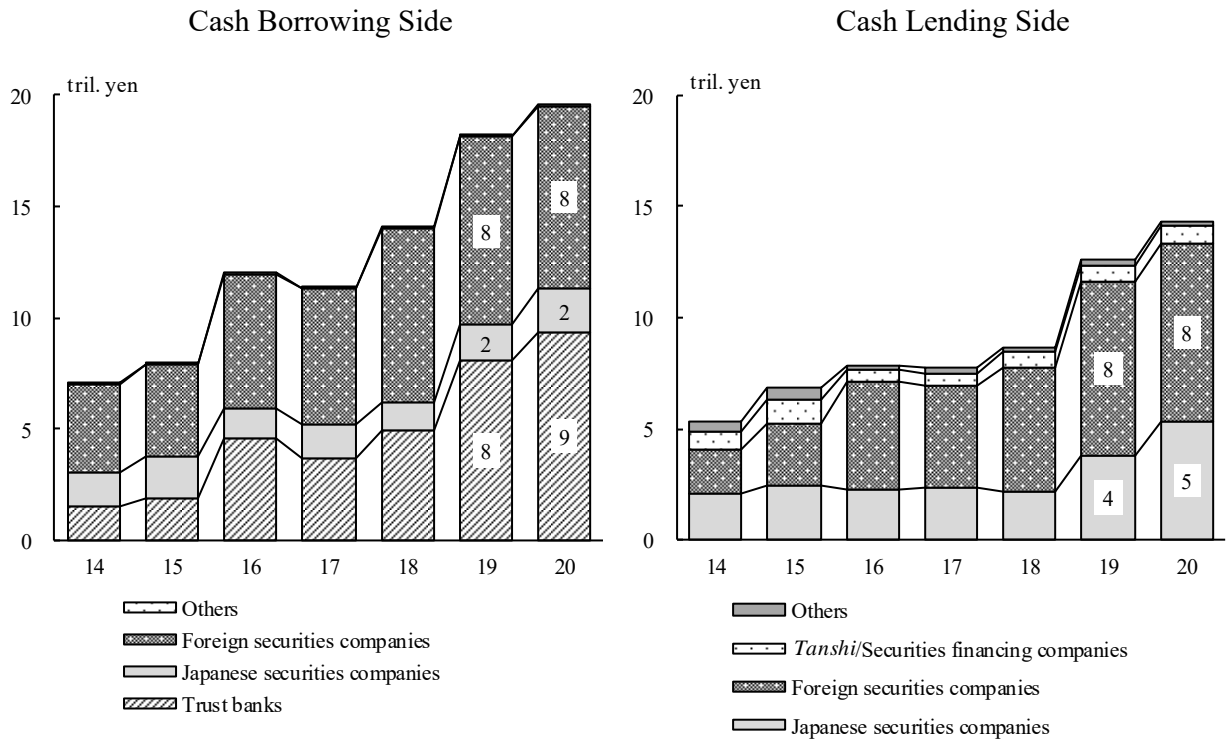
Chart 22: Yen Overnight Index Swap Market



Source: Money Brokers Association.

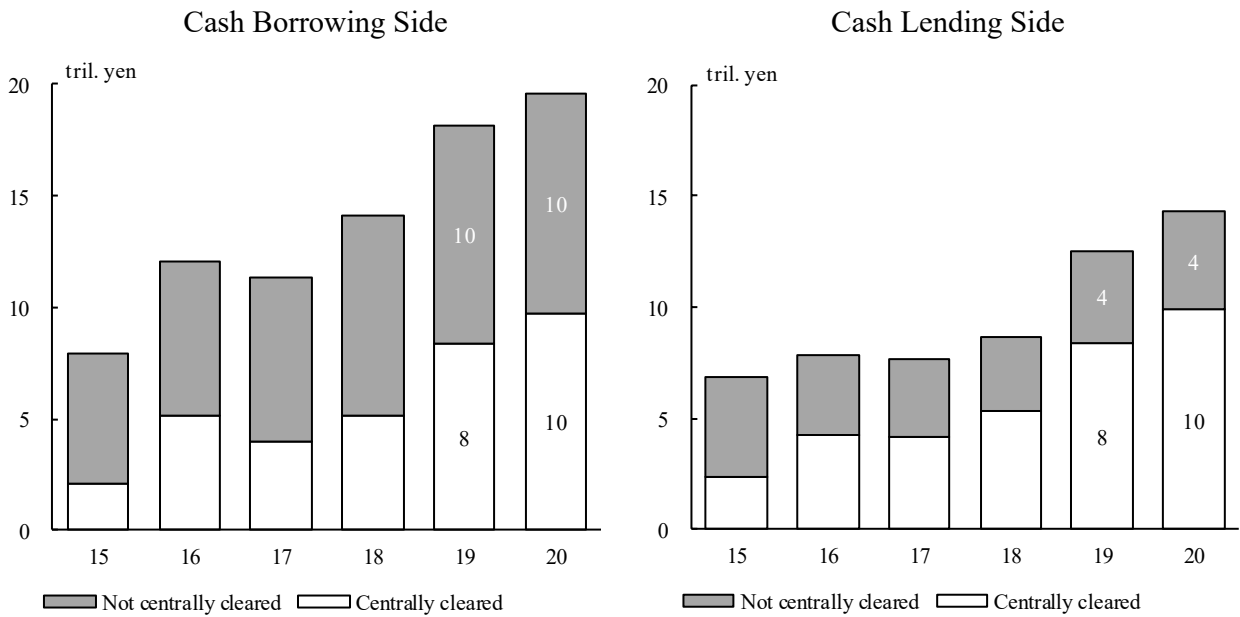
Note: Includes transactions by overseas offices of financial institutions. On the basis of notional amounts.

Chart 23: Amount Outstanding in the Equity Repo Market
By Investor Type



Note: Excludes the institutional credit trading, general margin trading, and equity lending between a financial instruments business operator and a securities finance company. The same applies to the next chart.

By Settlement Type

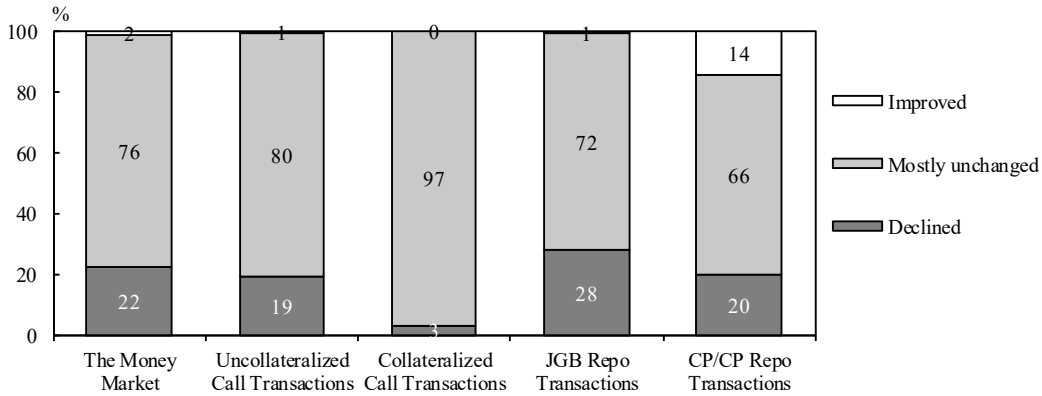


Note: "Centrally cleared" refers to transactions cleared at JASDEC DVP Clearing Corporation.

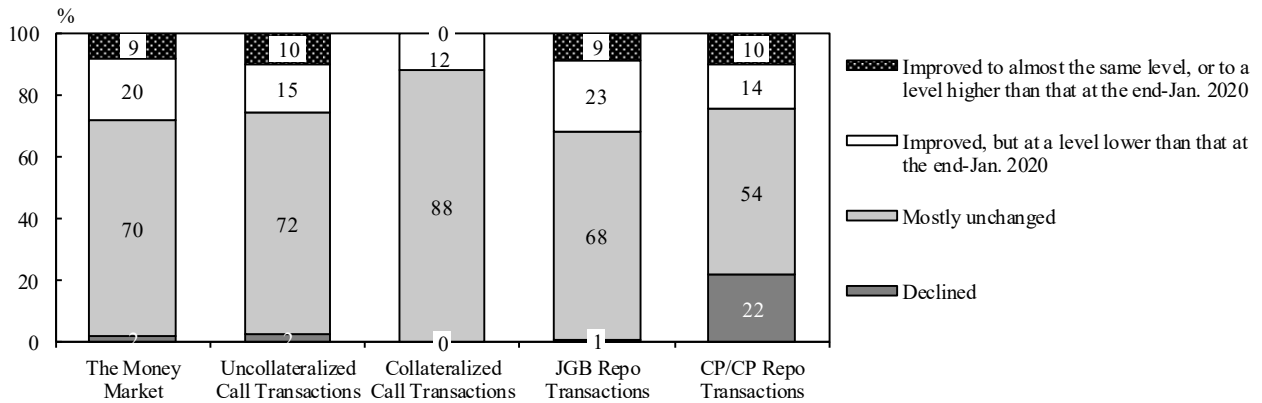
Chart 24: Impact of COVID-19

<Perceptions of Market Participants on the Functioning of the Money Market>

【 During the State of Emergency】

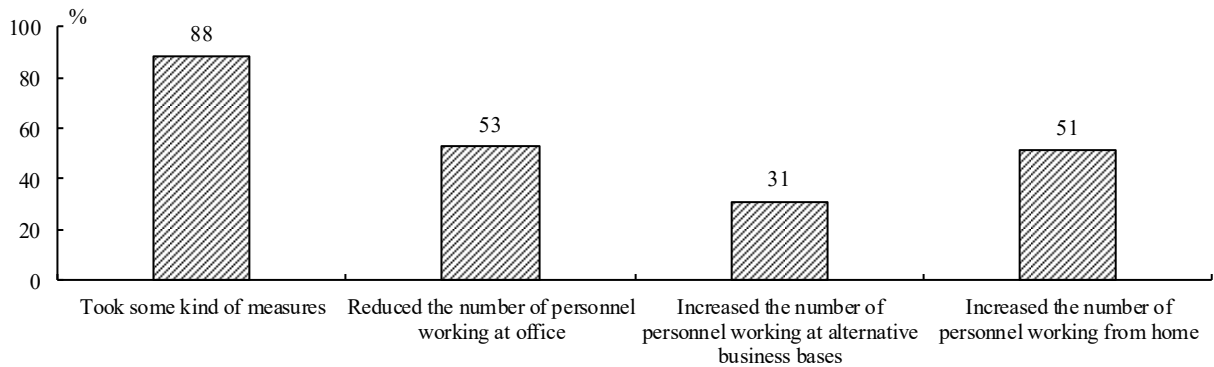


【 After the State of Emergency Was Lifted】



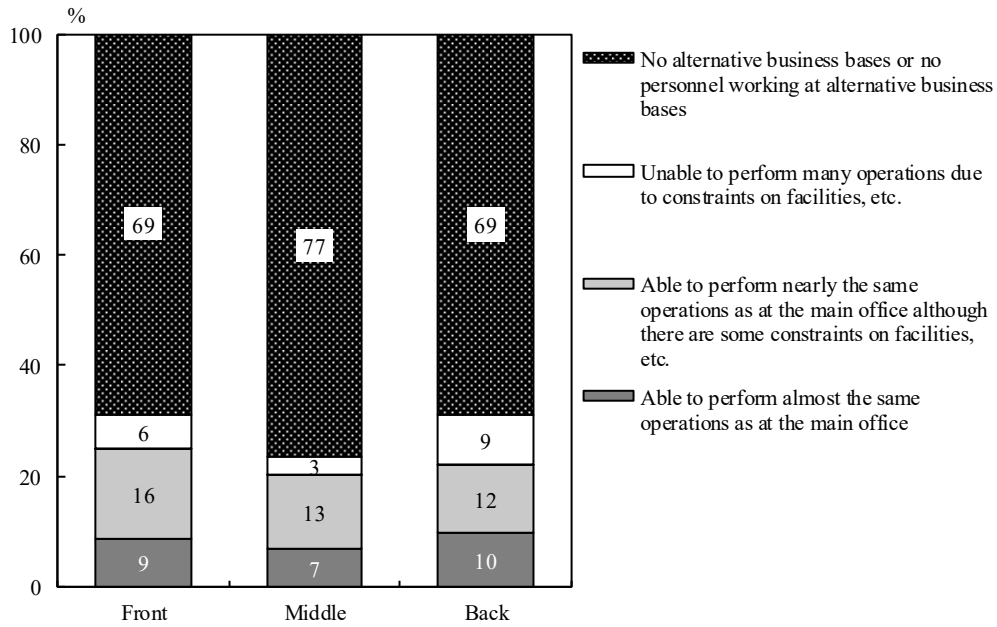
Note: For "The Money Market," responses were obtained only from those that were engaged in some kind of contracts for call transactions or JGB repo transactions. For "Uncollateralized Call Transactions," "Collateralized Call Transactions," and "JGB Repo Transactions," responses were obtained only from those that were engaged in uncollateralized call transactions, collateralized call transactions, and contracts for JGB repo transactions, respectively.

<Work Measures during the State of Emergency (Overall Average)>

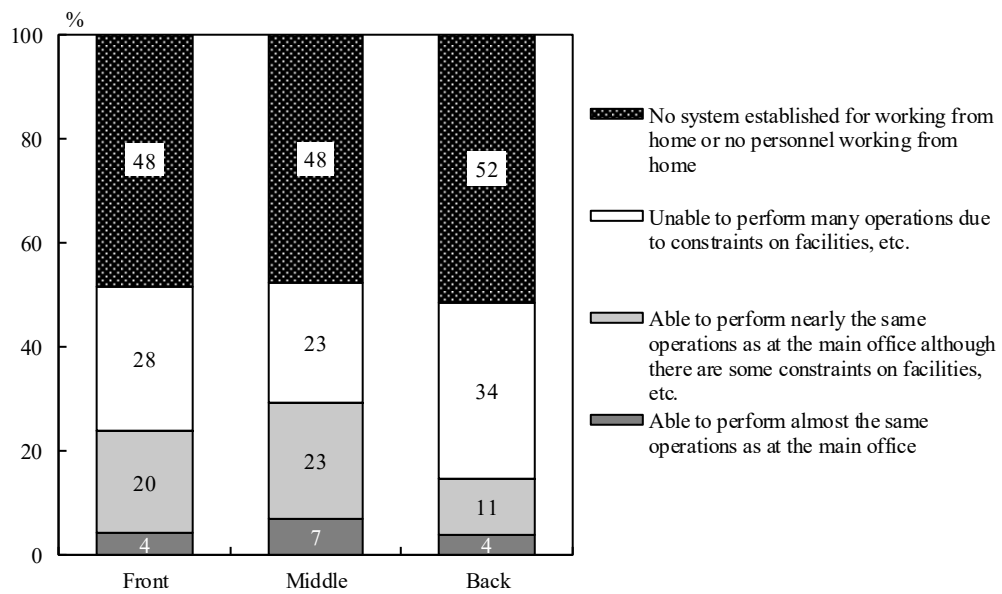


<Status of Operations during the State of Emergency (Overall Average)>

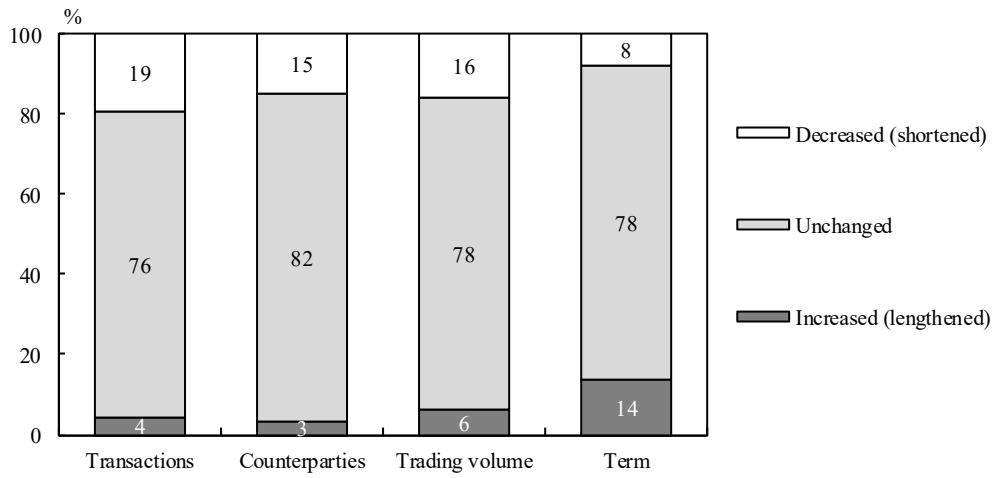
【Alternative Business Bases】



【Working from Home】

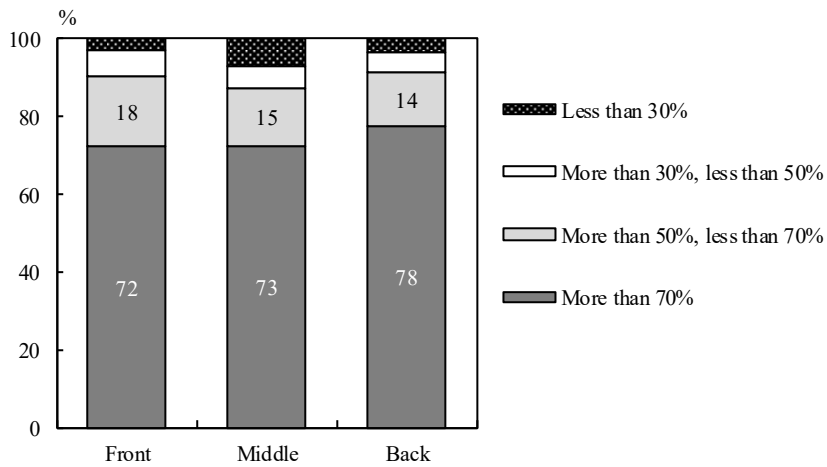


<Changes in Trading Behavior during the State of Emergency>



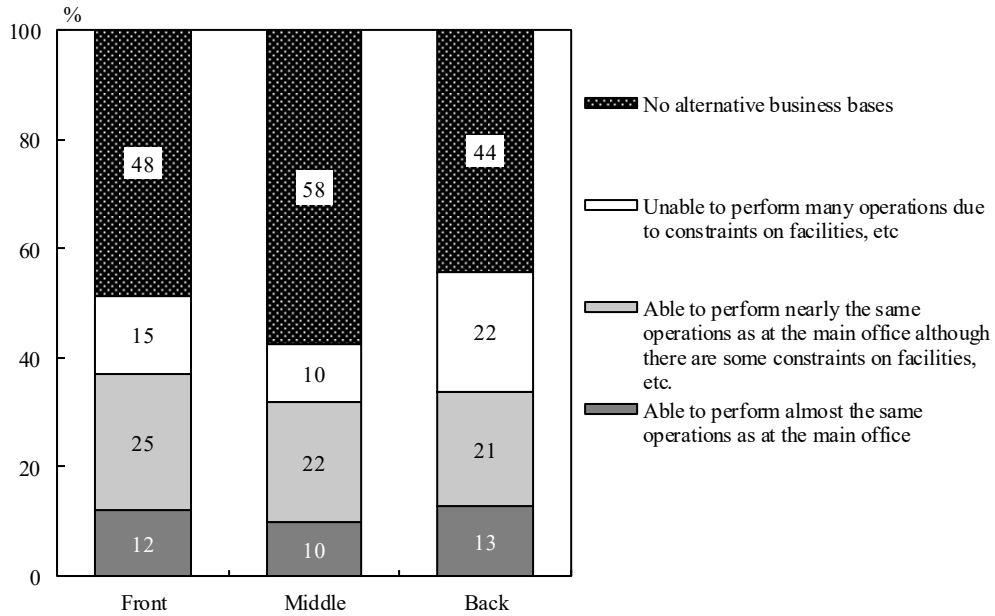
Note: Responses were obtained only from those engaged in some kind of contracts for call transactions or JGB repo transactions.

<Percentage of Attendance at Main Offices as of End of July (Overall Average)>

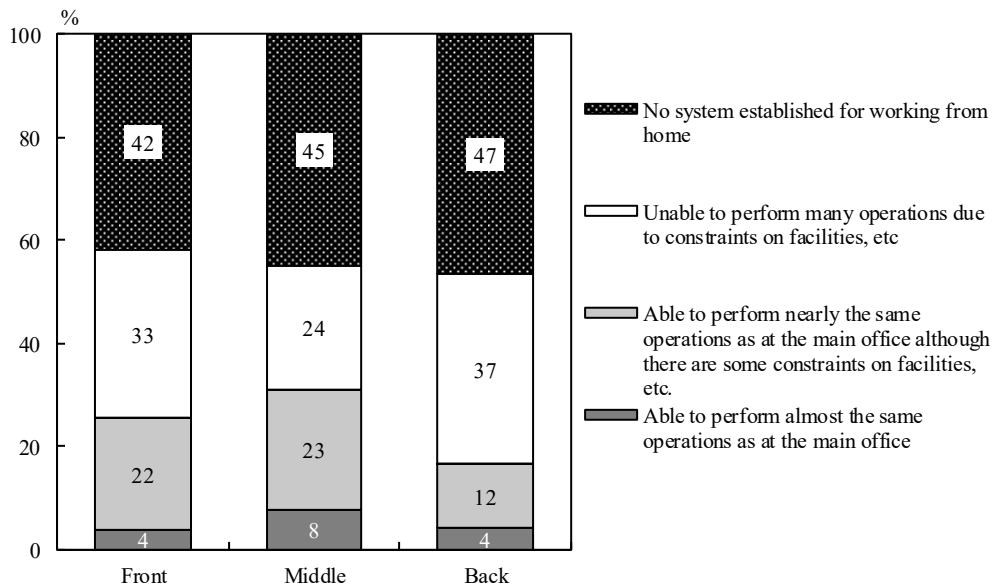


< Operations After the State of Emergency Was Lifted (Overall Average)>

【 Alternative Business Bases 】



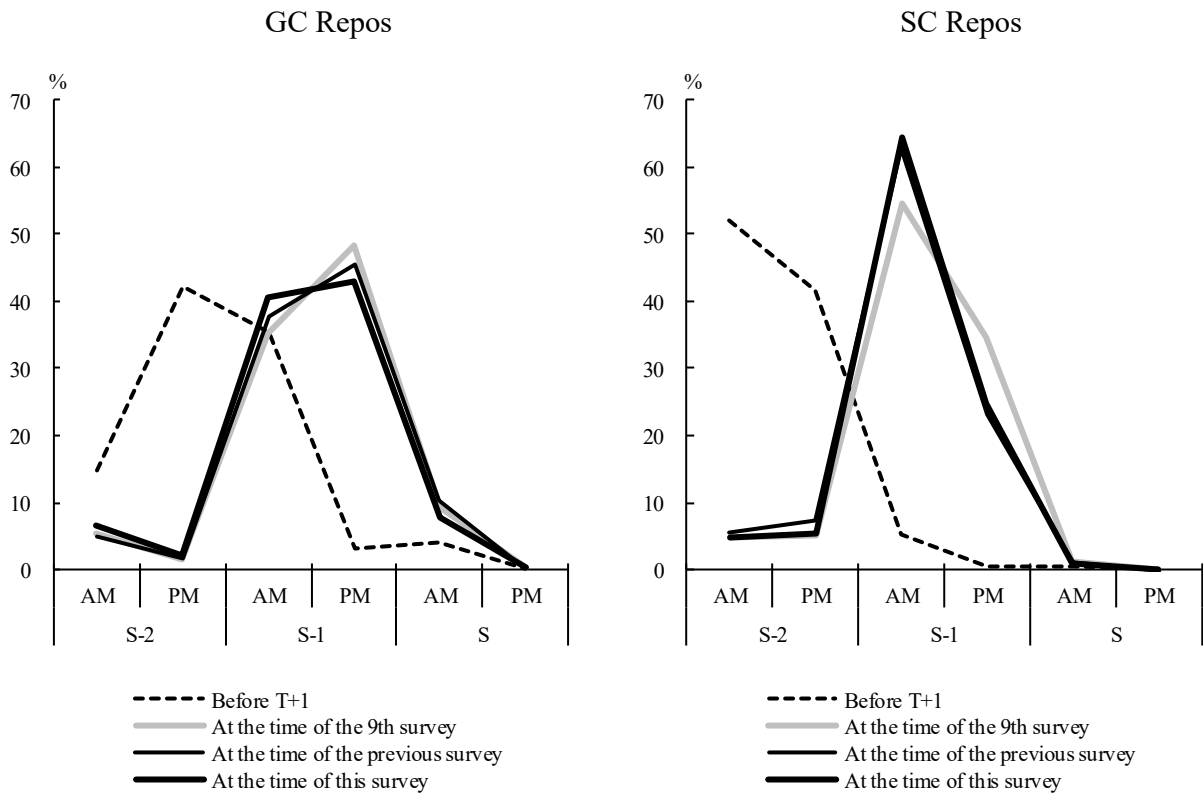
【 Working from Home 】



Note: As of July 31, 2020.

Chart 25: Efforts to Shorten the JGB Settlement Cycle

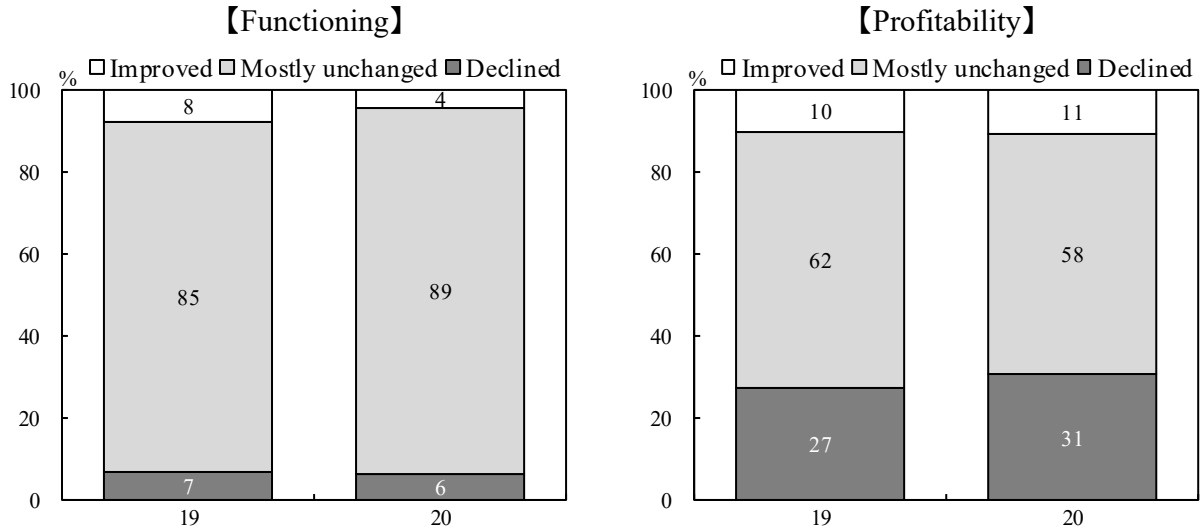
Change in the Contract Timing of Repos before and after the Implementation of the T+1 Cycle



Note: Respondents that engaged in repo contracts at each point in time were asked to indicate any perceived changes in the contract timing of repos. The results are weighted averages of the amount outstanding of transactions as of the end of July 2018 for "Before T+1" and "At the time of the 9th survey," as of the end of July 2019 for "At the time of the previous survey," and as of the end of July 2020 for "At the time of this survey."

Chart 26: Perceptions of Market Participants on Money Market Transactions

Money Market

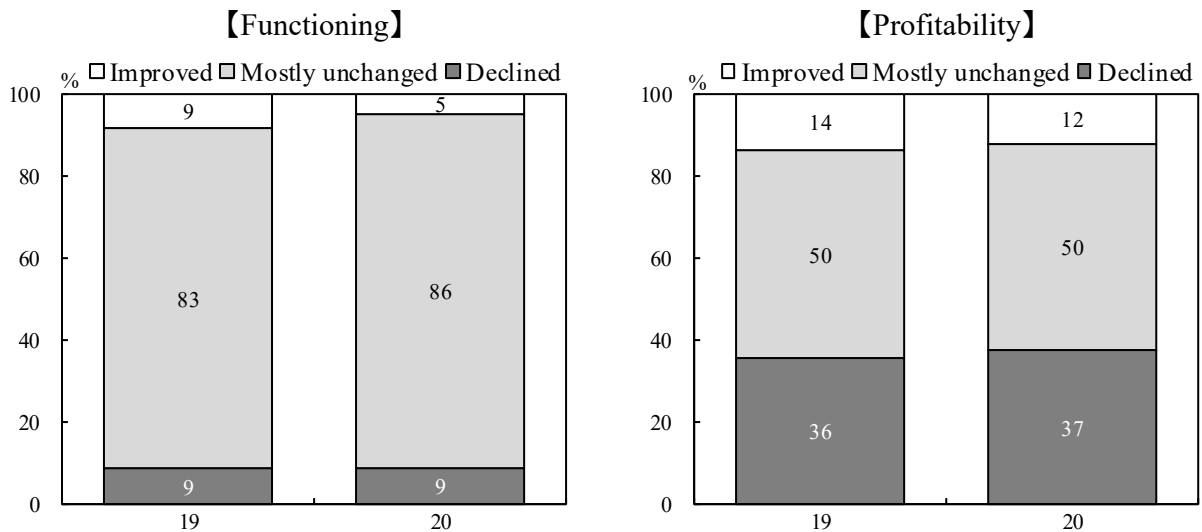


Note: 1. Responses were obtained only from those counterparties that were engaged in call money transactions or JGB repo transactions, or in both of them.

2. The question on "Functioning" was designed to find the perceptions of market participants on the change in the functioning of the money market from the previous year, mainly taking into account whether respondents were able to make transactions with intended rates, prices, terms, and counterparties. The same applies to the following results.

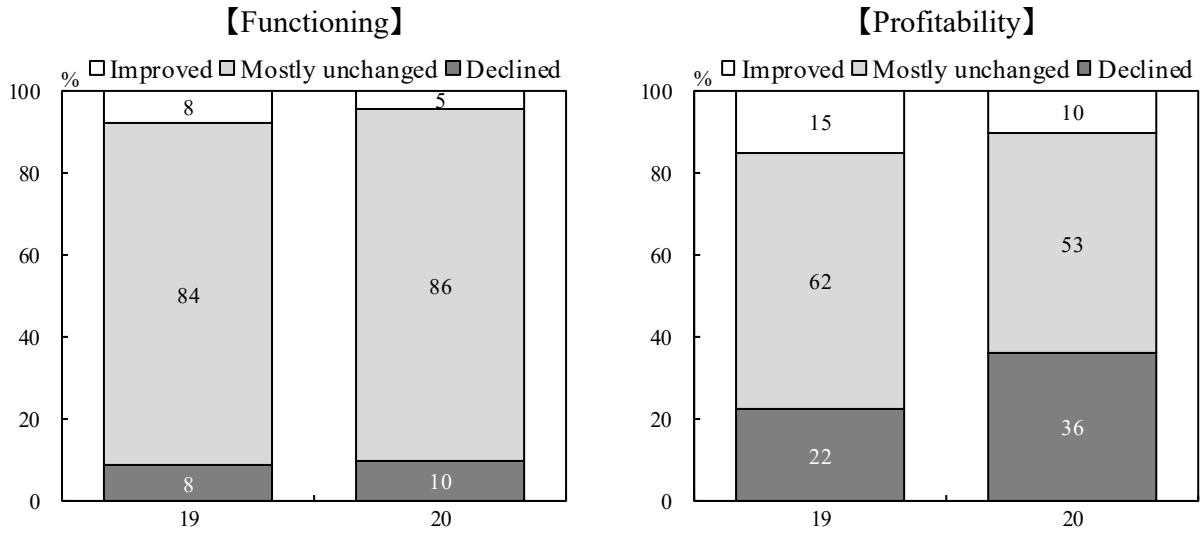
3. The question on "Profitability" was designed to find the perceptions of market participants on the change in profitability in the money market from the previous year, mainly taking into account investment yield, funding cost, transaction amounts, and fixed cost. Responses also include those from counterparties who posted losses in their total money market transactions. It is considered that they answered "improved (declined)" when their losses shrank (or expanded) from the previous year. The same applies to the results that follow.

JGB Repo Transactions



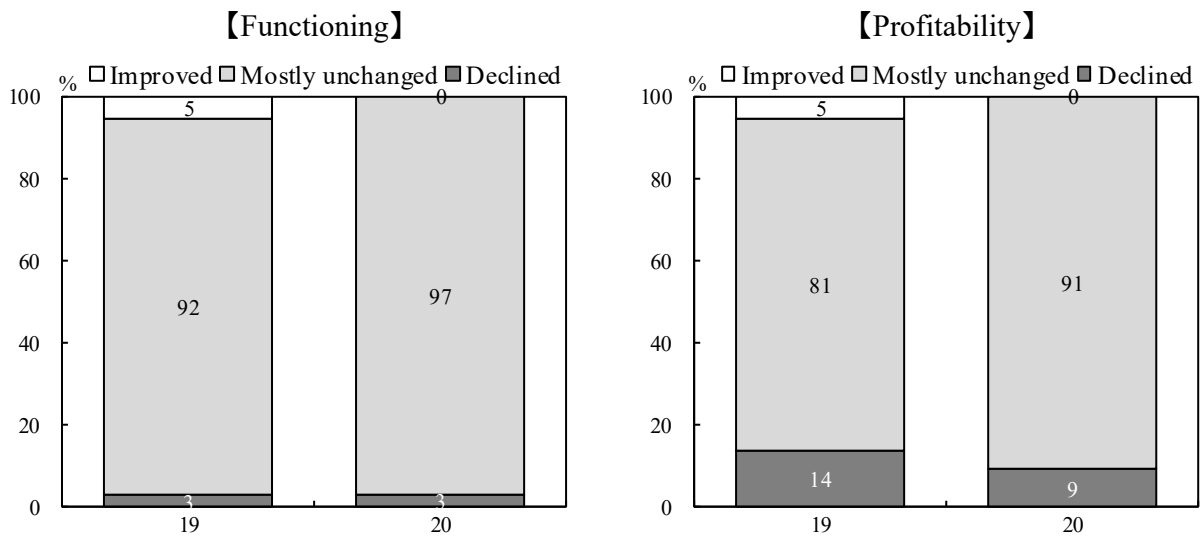
Note: Responses were obtained only from those that were engaged in JGB repo transactions.

Uncollateralized Call Transactions



Note: Responses were obtained only from those that were engaged in uncollateralized call transactions.

Collateralized Call Transactions



Note: Responses were obtained only from those that were engaged in collateralized call transactions.

Chart 27: Degree of Concentration in Each Market

