

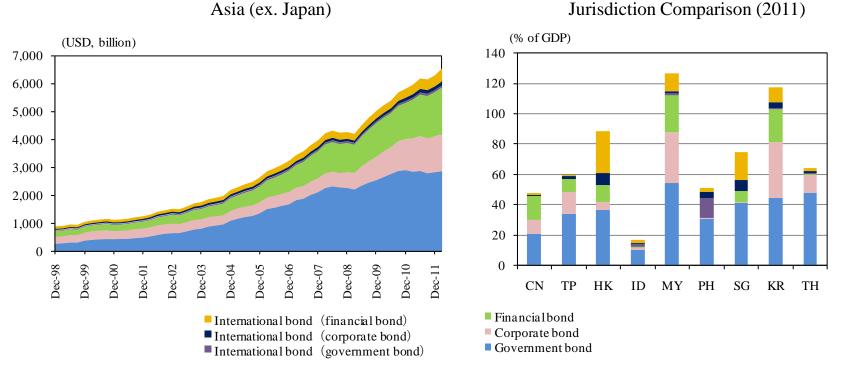
Bank of Japan

Future of Central Bank Cooperation in Asia, Latin America, and Caribbean States

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(Figure 1) Development of Asian Bond Markets

- The size of bond markets has grown, driven by the government bond market.
- Corporate bond /financial bond markets growth has accelerated since 2008.
 Size of Bond Markets



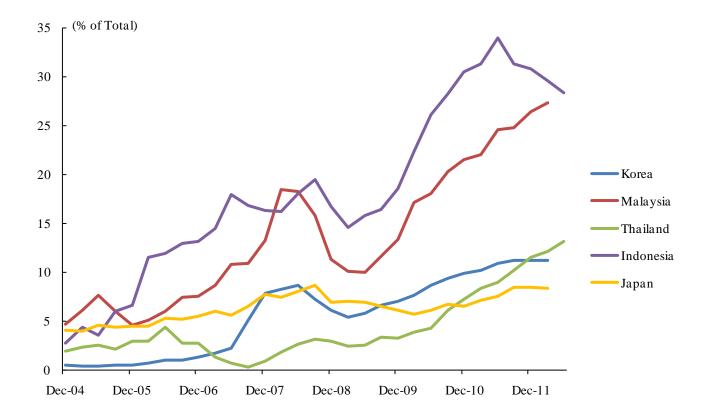
Note 1: Asia is the aggregate of China (CN), Taiwan (TP), Hong Kong, (HK), Indonesia (ID), Malaysia (MY), Philippines (PH), Singapore (SG), Korea (KR), and Thailand (TH).

Note 2: Government bond, corporate bond and financial bond are local currency bonds issued by local residents. International bonds (offshore) are the aggregate of the foreign currency bonds issued by local residents and the bonds (both local/foreign currency) issued by non-residents.

Sources: IMF, BIS.

(Figure 2) Foreign Holding in Local-Currency Government Bonds

• The ratio of foreign holding in local-currency government bonds has surged in a number of economies.

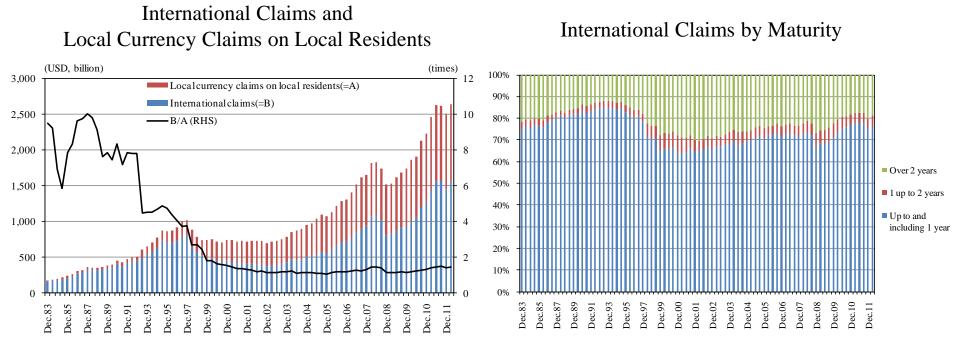


Note: The percentage in local currency government bonds held by foreign investors relative to the amount of local-currency government bonds outstanding in a specific market.

Source: ADB.

(Figure 3) Double Mismatch (Currency and Maturity)

- Currency mismatch seems to have lessened gradually (left).
- Maturity mismatch still lingers (right). Ratio of short-term maturity bond remains high.



Note 1: Local Currency Claims are the local currency denominated claims held by local branches/subsidiaries of foreign banks on residents. Note 2: International Claims are the claims (denominated mainly in foreign currencies) held by foreign banks on residents and the foreign currency denominated claims held by local branches/subsidiaries of foreign banks on residents.

Note 3: All figures are the aggregate of China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, and Philippines. Data from 1983 to 1999 is semi-annual, quarterly thereafter.

Source: BIS Consolidated Banking Statistics.