

Bond Market Survey (November 2019)

Survey period: From November 5 to November 11, 2019

Number of respondents¹: 67

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)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI ³	-38	-32	/
Percentage			
1. High	1	1	1
2. Not very high	60	66	44
3. Low	39	33	22

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

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-15	0	/
Percentage			
1. Has improved	1	9	6
2. Hasn't really improved	82	82	55
3. Has decreased	16	9	6

(2) Factors related to bond market functioning and liquidity

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

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-2	-4	/
Percentage			
1. Tight	13	12	8
2. Not very tight	72	72	48
3. Wide	15	16	11

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-15	-10	/
Percentage			
1. Has tightened	1	3	2
2. Hasn't really tightened	82	84	56
3. Has widened	16	13	9

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

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-35	-34	/
Percentage			
1. Large	1	0	0
2. Not very large	63	66	44
3. Small	36	34	23

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

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-18	-13	/
Percentage			
1. Has increased	1	3	2
2. Hasn't really increased	79	81	54
3. Has decreased	19	16	11

c. The dealing frequency of your company⁵

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-29	-19	/
Percentage			
1. High	4	3	2
2. Not very high	63	75	50
3. Low	33	22	15

⁵ Answer dealing frequency with the same counterparty.

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-11	10	/
Percentage			
1. Has increased	7	16	11
2. Hasn't really increased	75	78	52
3. Has decreased	18	6	4

d. The number of your dealing counterparties

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-19	-15	/
Percentage			
1. Large	6	6	4
2. Not very large	69	73	49
3. Small	25	21	14

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-12	3	/
Percentage			
1. Has increased	6	7	5
2. Hasn't really increased	76	88	59
3. Has decreased	18	4	3

e. The lot size of your company

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-16	-14	/
Percentage			
1. Large	3	4	3
2. Not very large	78	78	52
3. Small	19	18	12

(Change from three months ago)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	-10	0	/
Percentage			
1. Has increased	0	3	2
2. Hasn't really increased	90	94	63
3. Has decreased	10	3	2

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

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	19	21	
Percentage			
1. Yes	40	42	28
2. Not really	39	37	25
3. No	21	21	14

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

(Current situation)

	Aug. 2019 Survey	Nov. 2019 Survey	Number of respondents
DI	17	21	
Percentage			
1. Yes	41	42	28
2. Not really	35	36	24
3. No	24	21	14

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 : 65 >	End-Dec. 2019	End-Mar. 2020	End-Jun. 2020	End-Sep. 2020	End-Mar. 2021	End-Mar. 2022
Average	-0.21	-0.21	-0.20	-0.19	-0.17	-0.14
Third quartile (75th percentile)	-0.17	-0.15	-0.15	-0.15	-0.10	-0.10
Median	-0.20	-0.20	-0.20	-0.20	-0.15	-0.15
First quartile (25th percentile)	-0.25	-0.25	-0.25	-0.25	-0.20	-0.20

(Newly issued 5-year JGB yield)

(%)

< Number of respondents : 65 >	End-Dec. 2019	End-Mar. 2020	End-Jun. 2020	End-Sep. 2020	End-Mar. 2021	End-Mar. 2022
Average	-0.21	-0.21	-0.20	-0.19	-0.15	-0.11
Third quartile (75th percentile)	-0.16	-0.15	-0.15	-0.15	-0.10	-0.05
Median	-0.20	-0.20	-0.20	-0.20	-0.15	-0.11
First quartile (25th percentile)	-0.25	-0.25	-0.25	-0.25	-0.20	-0.16

(Newly issued 10-year JGB yield)

(%)

< Number of respondents : 66 >	End-Dec. 2019	End-Mar. 2020	End-Jun. 2020	End-Sep. 2020	End-Mar. 2021	End-Mar. 2022
Average	-0.11	-0.10	-0.08	-0.07	-0.02	0.05
Third quartile (75th percentile)	-0.05	-0.05	-0.01	0.00	0.00	0.10
Median	-0.10	-0.10	-0.10	-0.06	-0.01	0.00
First quartile (25th percentile)	-0.15	-0.15	-0.15	-0.13	-0.10	-0.05

(Newly issued 20-year JGB yield)

(%)

< Number of respondents : 65 >	End-Dec. 2019	End-Mar. 2020	End-Jun. 2020	End-Sep. 2020	End-Mar. 2021	End-Mar. 2022
Average	0.27	0.28	0.30	0.33	0.38	0.47
Third quartile (75th percentile)	0.30	0.33	0.35	0.40	0.45	0.55
Median	0.25	0.28	0.30	0.33	0.37	0.40
First quartile (25th percentile)	0.20	0.20	0.24	0.25	0.30	0.35

(Newly issued 30-year JGB yield)

(%)

< Number of respondents : 63 >	End-Dec. 2019	End-Mar. 2020	End-Jun. 2020	End-Sep. 2020	End-Mar. 2021	End-Mar. 2022
Average	0.42	0.44	0.46	0.49	0.55	0.66
Third quartile (75th percentile)	0.45	0.50	0.50	0.55	0.60	0.70
Median	0.40	0.45	0.45	0.47	0.52	0.60
First quartile (25th percentile)	0.35	0.39	0.40	0.40	0.46	0.50

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2021 and end-Mar. 2022

	≤ ▲ 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. 2021 (65 respondents)	0.6	11.6	50.6	29.7	4.9	1.3	0.6	0.3	0.2	0.1
End-Mar. 2022 (64 respondents)	0.6	8.7	41.1	35.0	10.1	2.1	0.8	0.7	0.7	0.2

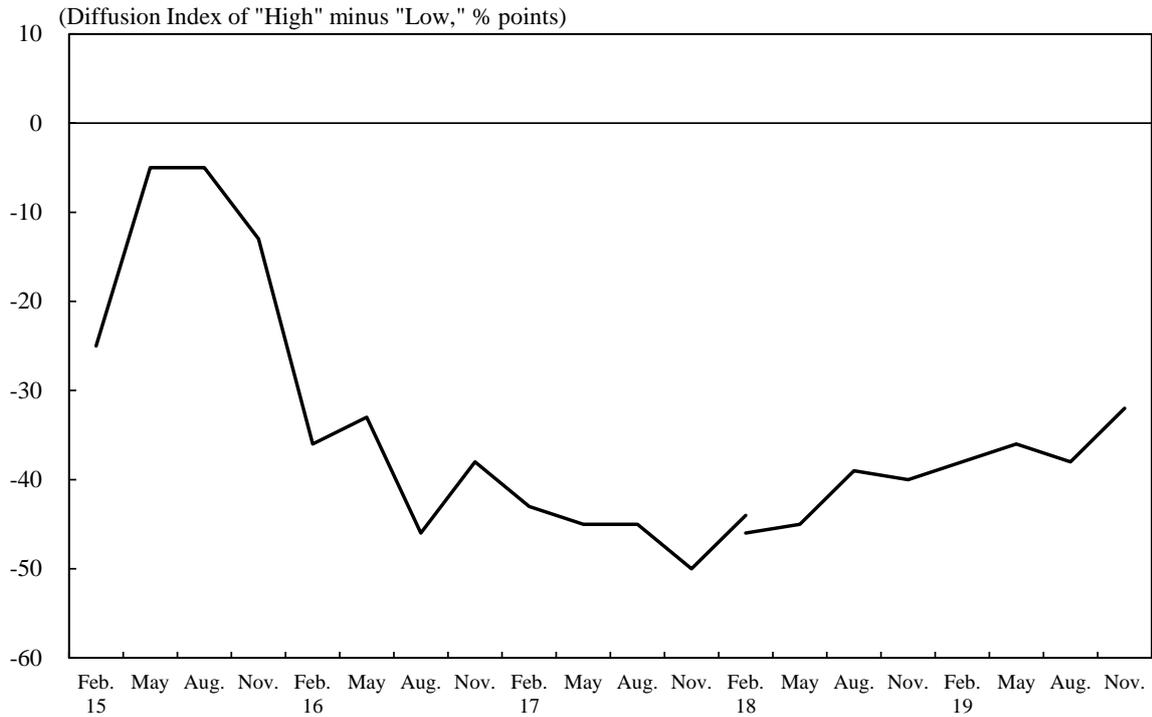
⁶ Arithmetic average

Note: The next survey's publication date is March 2, 2020

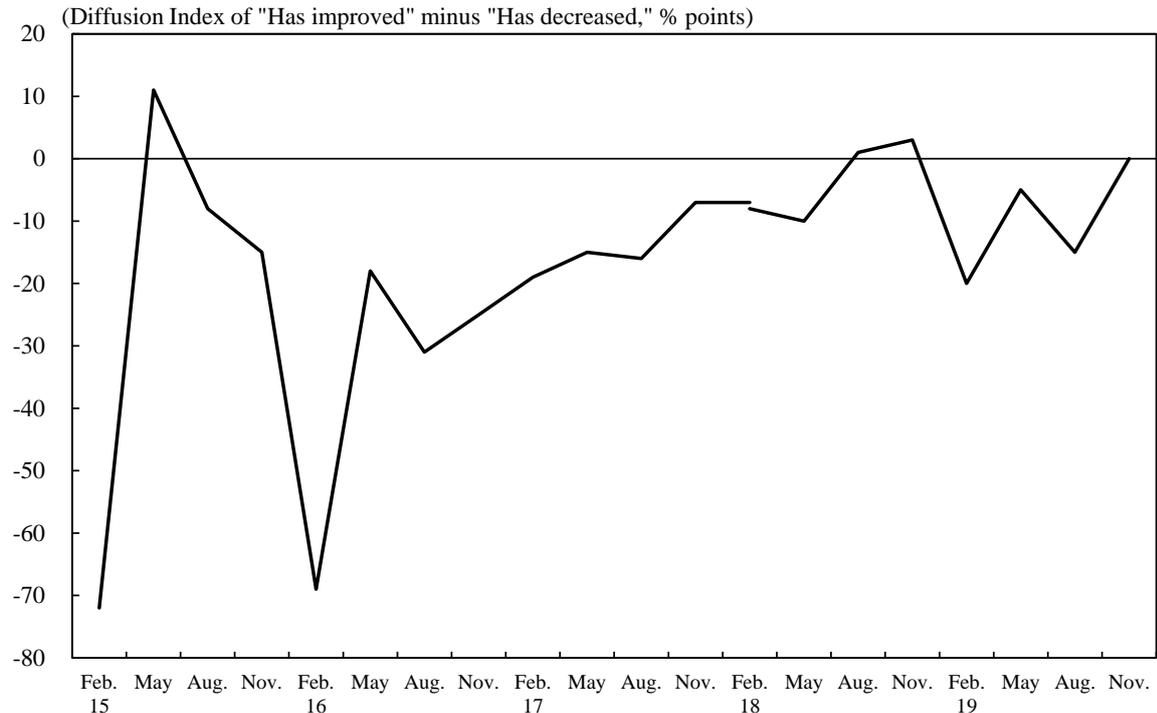
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Degree of Bond Market Functioning

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.