

## Bond Market Survey (February 2015)

Survey period: From February 18 to February 25, 2015

Number of <sup>1</sup>respondents: 40

<sup>1</sup> Eligible institutions for outright sales and purchases of JGBs (voluntary basis)

### 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)

	Number of respondents	Percentage
1. High	2	5.0%
2. Not very high	26	65.0%
3. Low	12	30.0%

(Change from three months ago)

	Number of respondents	Percentage
1. Has improved	1	2.5%
2. Hasn't really improved	9	22.5%
3. Has decreased	30	75.0%

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

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

(Current situation)

	Number of respondents	Percentage
1. Tight	5	12.5%
2. Not very tight	25	62.5%
3. Wide	10	25.0%

(Change from three months ago)

	Number of respondents	Percentage
1. Has tightened	0	0.0%
2. Hasn't really tightened	14	35.0%
3. Has widened	26	65.0%

##### b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board<sup>3</sup>

(Current situation)

	Number of respondents	Percentage
1. Large	0	0.0%
2. Not very large	22	55.0%
3. Small	18	45.0%

(Change from three months ago)

	Number of respondents	Percentage
1. Has increased	1	2.5%
2. Hasn't really increased	8	20.0%
3. Has decreased	31	77.5%

<sup>3</sup> "Thickness" of the trading board refers to the order quantity for each bid and ask price.

##### c. The dealing frequency of your company<sup>4</sup>

(Change from three months ago)

	Number of respondents	Percentage
1. Has increased	6	15.4%
2. Hasn't really increased	21	53.8%
3. Has decreased	12	30.8%

<sup>4</sup> Answer dealing frequency with the same counterparty.

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

(Change from three months ago)

	Number of respondents	Percentage
1. Has increased	4	10.3%
2. Hasn't really increased	24	61.5%
3. Has decreased	11	28.2%

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

(Change from three months ago)

	Number of respondents	Percentage
1. Has increased	1	2.6%
2. Hasn't really increased	25	64.1%
3. Has decreased	13	33.3%

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

(Current situation)

	Number of respondents	
	Number of respondents	Percentage
1. Yes	13	33.3%
2. Not really	19	48.7%
3. No	7	17.9%

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

(Current situation)

	Number of respondents	
	Number of respondents	Percentage
1. Yes	14	35.9%
2. Not really	13	33.3%
3. No	12	30.8%

## 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: 39>	End-Mar. 2015	End-Jun. 2015	End-Sep. 2015	End-Dec. 2015	End-Mar. 2016	End-Mar. 2017
Average	0.03%	0.04%	0.05%	0.06%	0.07%	0.15%
Third quartile (75th percentile)	0.05%	0.05%	0.05%	0.10%	0.10%	0.20%
Median	0.03%	0.05%	0.05%	0.05%	0.05%	0.10%
First quartile (25th percentile)	0.02%	0.03%	0.02%	0.03%	0.03%	0.10%

(Newly issued 5-year JGB yield)

<Number of respondents: 39>	End-Mar. 2015	End-Jun. 2015	End-Sep. 2015	End-Dec. 2015	End-Mar. 2016	End-Mar. 2017
Average	0.10%	0.12%	0.13%	0.15%	0.20%	0.35%
Third quartile (75th percentile)	0.12%	0.15%	0.15%	0.20%	0.25%	0.40%
Median	0.10%	0.10%	0.12%	0.15%	0.17%	0.30%
First quartile (25th percentile)	0.10%	0.10%	0.10%	0.10%	0.12%	0.20%

(Newly issued 10-year JGB yield)

<Number of respondents: 39>	End-Mar. 2015	End-Jun. 2015	End-Sep. 2015	End-Dec. 2015	End-Mar. 2016	End-Mar. 2017
Average	0.38%	0.41%	0.43%	0.48%	0.55%	0.84%
Third quartile (75th percentile)	0.40%	0.45%	0.50%	0.55%	0.66%	1.00%
Median	0.40%	0.40%	0.43%	0.50%	0.50%	0.75%
First quartile (25th percentile)	0.35%	0.35%	0.38%	0.40%	0.40%	0.64%

(Newly issued 20-year JGB yield)

<Number of respondents: 37>	End-Mar. 2015	End-Jun. 2015	End-Sep. 2015	End-Dec. 2015	End-Mar. 2016	End-Mar. 2017
Average	1.17%	1.20%	1.22%	1.27%	1.34%	1.58%
Third quartile (75th percentile)	1.20%	1.30%	1.30%	1.36%	1.43%	1.70%
Median	1.20%	1.20%	1.20%	1.25%	1.30%	1.60%
First quartile (25th percentile)	1.10%	1.09%	1.09%	1.14%	1.19%	1.39%

(Newly issued 30-year JGB yield)

<Number of respondents: 37>	End-Mar. 2015	End-Jun. 2015	End-Sep. 2015	End-Dec. 2015	End-Mar. 2016	End-Mar. 2017
Average	1.39%	1.43%	1.45%	1.50%	1.58%	1.81%
Third quartile (75th percentile)	1.45%	1.50%	1.55%	1.60%	1.66%	1.95%
Median	1.40%	1.40%	1.40%	1.45%	1.55%	1.80%
First quartile (25th percentile)	1.30%	1.30%	1.33%	1.39%	1.40%	1.54%

(2) The probability distribution forecast<sup>5</sup> of the newly issued 10-year JGB yield at end-Mar. 2016 and end-Mar. 2017

	≤0.50%	0.51-1.00%	1.01-1.50%	1.51-2.00%	2.01-2.50%	2.51-3.00%	3.01%≤
End-Mar. 2016 <39 respondents>	47.9%	41.0%	8.6%	1.9%	0.3%	0.2%	0.1%
End-Mar. 2017 <38 respondents>	23.4%	41.9%	24.9%	7.5%	1.2%	0.8%	0.2%

<sup>5</sup> Arithmetic average

Note: The next survey's publication date is June 10, 2015.

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