

Bond Market Survey (November 2020)

Survey period: From November 5 to November 11, 2020

Number of respondents¹: 70

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. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI ³	-27	-25	/
Percentage			
1. High	4	4	3
2. Not very high	64	67	47
3. Low	31	29	20

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	19	3	/
Percentage			
1. Has improved	20	3	2
2. Hasn't really improved	79	97	68
3. Has decreased	1	0	0

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

(2) Factors related to bond market functioning and liquidity

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

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-4	5	/
Percentage			
1. Tight	9	16	11
2. Not very tight	79	73	51
3. Wide	13	11	8

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	17	14	/
Percentage			
1. Has tightened	17	14	10
2. Hasn't really tightened	83	86	60
3. Has widened	0	0	0

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

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-32	-23	/
Percentage			
1. Large	1	3	2
2. Not very large	66	71	50
3. Small	33	26	18

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	14	3	/
Percentage			
1. Has increased	20	4	3
2. Hasn't really increased	74	94	66
3. Has decreased	6	1	1

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

c. The dealing frequency of your company⁵

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-23	-22	/
Percentage			
1. High	3	4	3
2. Not very high	71	70	49
3. Low	26	26	18

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	7	-4	/
Percentage			
1. Has increased	17	3	2
2. Hasn't really increased	73	90	63
3. Has decreased	10	7	5

⁵ Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-23	-18	/
Percentage			
1. Large	4	6	4
2. Not very large	69	70	49
3. Small	27	24	17

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	7	-1	/
Percentage			
1. Has increased	11	3	2
2. Hasn't really increased	84	93	65
3. Has decreased	4	4	3

e. The lot size of your company

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-17	-16	/
Percentage			
1. Large	4	4	3
2. Not very large	74	76	53
3. Small	21	20	14

(Change from three months ago)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	-3	-2	/
Percentage			
1. Has increased	6	1	1
2. Hasn't really increased	86	96	67
3. Has decreased	9	3	2

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

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	24	43	
Percentage			
1. Yes	37	50	35
2. Not really	50	43	30
3. No	13	7	5

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

(Current situation)

	Aug. 2020 Survey	Nov. 2020 Survey	Number of respondents
DI	25	37	
Percentage			
1. Yes	39	46	32
2. Not really	46	45	31
3. No	14	9	6

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 : 68 >	End-Dec. 2020	End-Mar. 2021	End-Jun. 2021	End-Sep. 2021	End-Mar. 2022	End-Mar. 2023
Average	-0.14	-0.13	-0.13	-0.13	-0.12	-0.10
Third quartile (75th percentile)	-0.13	-0.12	-0.12	-0.10	-0.10	-0.10
Median	-0.15	-0.15	-0.14	-0.14	-0.12	-0.10
First quartile (25th percentile)	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15

(Newly issued 5-year JGB yield)

(%)

< Number of respondents : 68 >	End-Dec. 2020	End-Mar. 2021	End-Jun. 2021	End-Sep. 2021	End-Mar. 2022	End-Mar. 2023
Average	-0.10	-0.10	-0.10	-0.09	-0.08	-0.06
Third quartile (75th percentile)	-0.10	-0.10	-0.10	-0.08	-0.07	-0.05
Median	-0.10	-0.10	-0.10	-0.10	-0.10	-0.08
First quartile (25th percentile)	-0.11	-0.11	-0.10	-0.10	-0.10	-0.10

(Newly issued 10-year JGB yield)

(%)

< Number of respondents : 69 >	End-Dec. 2020	End-Mar. 2021	End-Jun. 2021	End-Sep. 2021	End-Mar. 2022	End-Mar. 2023
Average	0.02	0.03	0.04	0.04	0.07	0.10
Third quartile (75th percentile)	0.05	0.05	0.05	0.07	0.10	0.14
Median	0.02	0.03	0.05	0.05	0.05	0.10
First quartile (25th percentile)	0.00	0.00	0.00	0.00	0.00	0.03

(Newly issued 20-year JGB yield)

(%)

< Number of respondents : 68 >	End-Dec. 2020	End-Mar. 2021	End-Jun. 2021	End-Sep. 2021	End-Mar. 2022	End-Mar. 2023
Average	0.41	0.42	0.44	0.46	0.49	0.53
Third quartile (75th percentile)	0.41	0.45	0.49	0.50	0.50	0.60
Median	0.40	0.40	0.42	0.45	0.45	0.50
First quartile (25th percentile)	0.40	0.40	0.40	0.40	0.40	0.45

(Newly issued 30-year JGB yield)

(%)

< Number of respondents : 66 >	End-Dec. 2020	End-Mar. 2021	End-Jun. 2021	End-Sep. 2021	End-Mar. 2022	End-Mar. 2023
Average	0.62	0.64	0.66	0.67	0.70	0.75
Third quartile (75th percentile)	0.65	0.65	0.68	0.70	0.71	0.80
Median	0.60	0.65	0.65	0.65	0.68	0.70
First quartile (25th percentile)	0.60	0.60	0.60	0.60	0.63	0.65

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2022 and end-Mar. 2023

	≤▲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. 2022 (67 respondents)	0.4	3.8	26.7	60.5	6.6	1.1	0.4	0.3	0.2	0.1
End-Mar. 2023 (67 respondents)	0.4	3.4	22.8	61.2	9.4	1.7	0.6	0.3	0.3	0.1

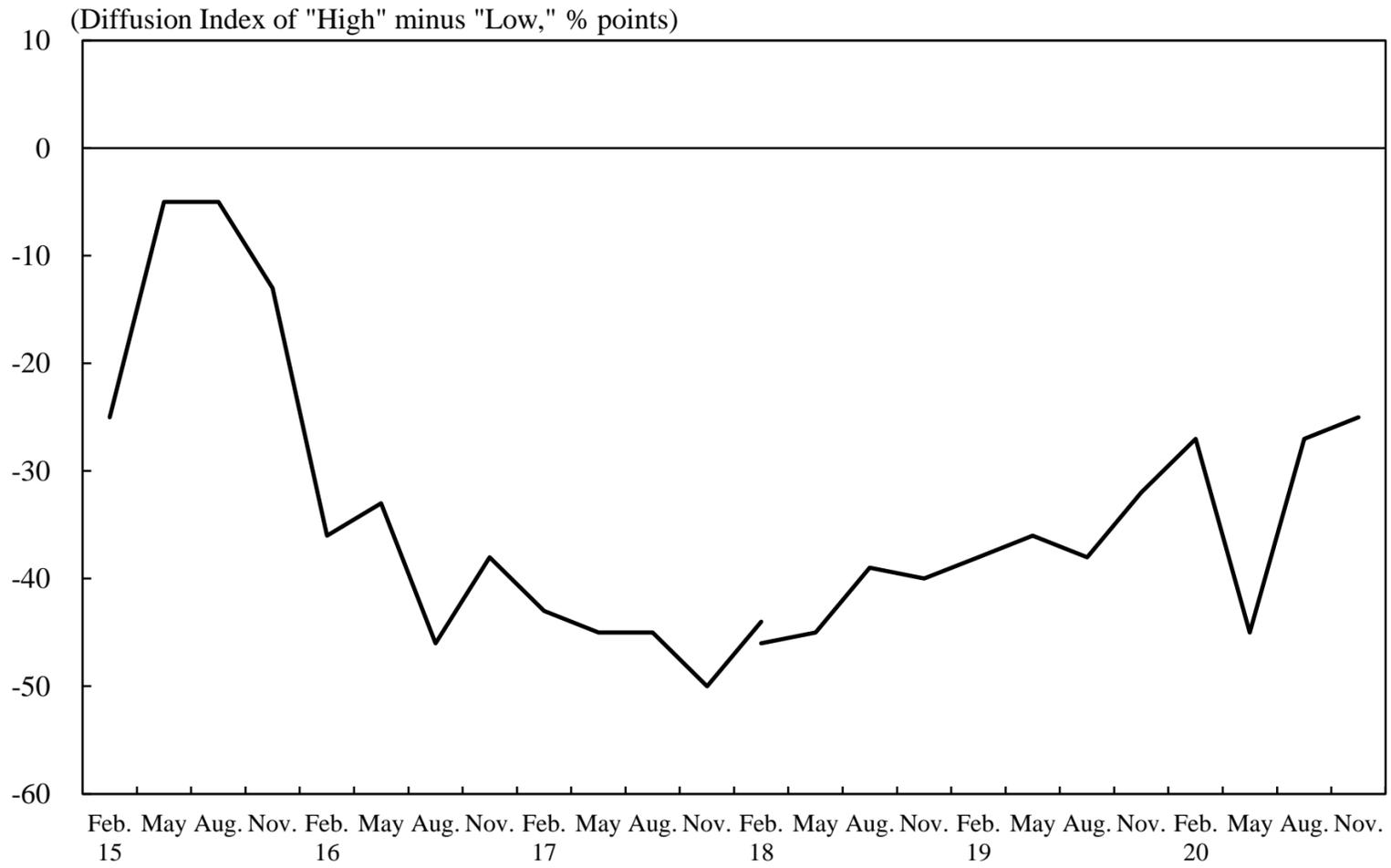
⁶ Arithmetic average

Note: The next survey's publication date is March 1, 2021

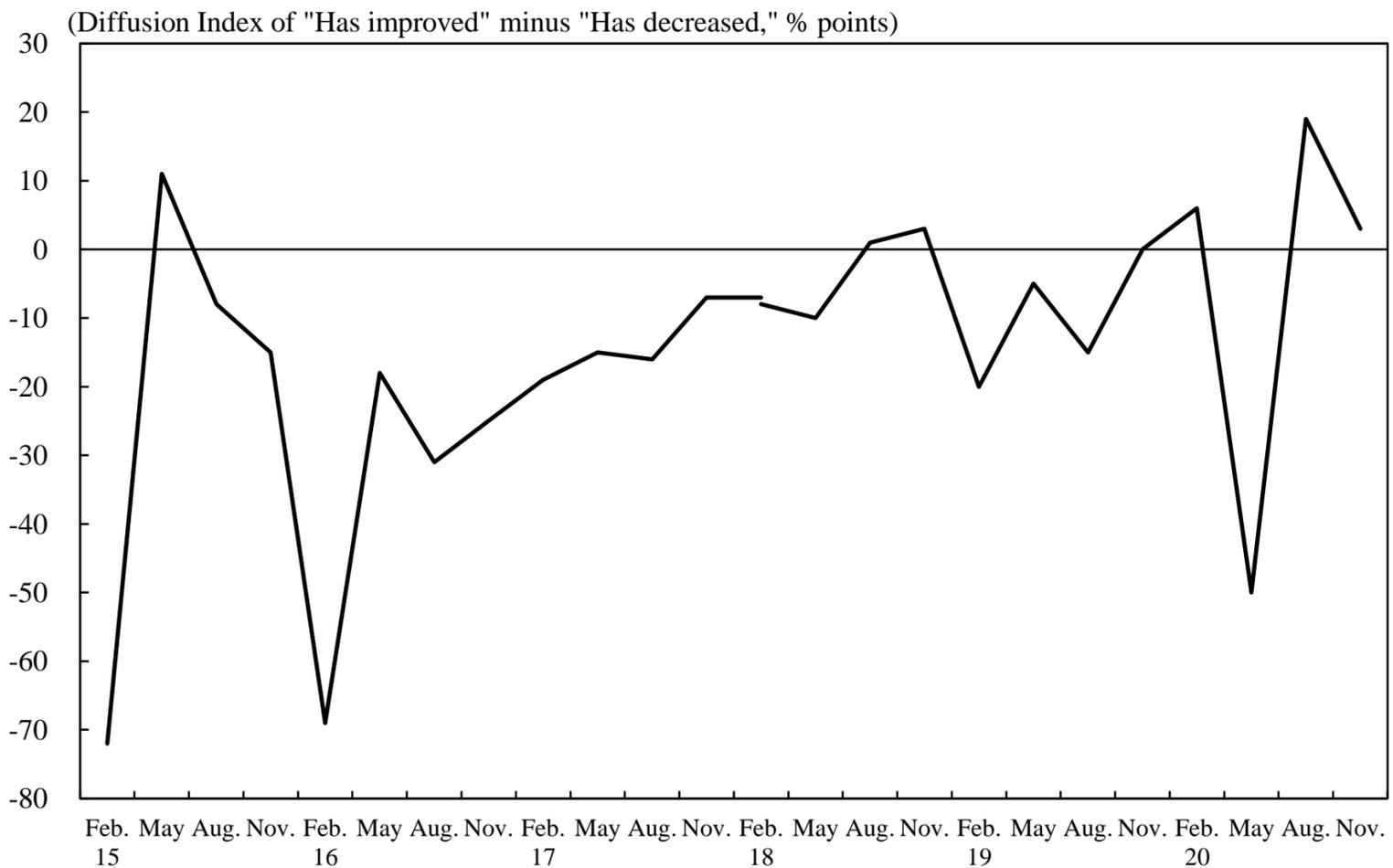
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Degree of Bond Market Functioning

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.