

## Bond Market Survey (November 2021)

Survey period: From November 1 to November 8, 2021

Number of respondents<sup>1</sup>: 69

<sup>1</sup> 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 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)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI <sup>3</sup>	-27	-25	/
Percentage:			
1. High	3	1	1
2. Not very high	67	72	50
3. Low	30	26	18

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

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-9	-2	/
Percentage:			
1. Has improved	1	7	5
2. Hasn't really improved	88	84	58
3. Has decreased	10	9	6

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

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

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	2	-6	/
Percentage:			
1. Tight	14	7	5
2. Not very tight	74	80	55
3. Wide	12	13	9

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	3	-3	/
Percentage:			
1. Has tightened	4	3	2
2. Hasn't really tightened	94	91	63
3. Has widened	1	6	4

##### b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board<sup>4</sup>

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-27	-22	/
Percentage:			
1. Large	3	3	2
2. Not very large	67	72	50
3. Small	30	25	17

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

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-8	-5	/
Percentage:			
1. Has increased	1	4	3
2. Hasn't really increased	90	87	60
3. Has decreased	9	9	6

##### c. The dealing frequency of your company<sup>5</sup>

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-19	-15	/
Percentage:			
1. High	3	4	3
2. Not very high	75	77	53
3. Low	22	19	13

<sup>5</sup> Answer dealing frequency with the same counterparty.

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-11	8	/
Percentage:			
1. Has increased	3	14	10
2. Hasn't really increased	83	80	55
3. Has decreased	14	6	4

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

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-13	-15	/
Percentage:			
1. Large	7	4	3
2. Not very large	72	77	53
3. Small	20	19	13

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-4	5	/
Percentage:			
1. Has increased	3	9	6
2. Hasn't really increased	90	87	60
3. Has decreased	7	4	3

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

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	-13	-15	/
Percentage:			
1. Large	6	4	3
2. Not very large	75	77	53
3. Small	19	19	13

(Change from three months ago)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	1	-3	/
Percentage:			
1. Has increased	4	3	2
2. Hasn't really increased	93	91	63
3. Has decreased	3	6	4

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

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	34	30	
Percentage:			
1. Yes	40	39	27
2. Not really	54	52	36
3. No	6	9	6

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

(Current situation)

	Aug. 2021 Survey	Nov. 2021 Survey	Number of respondents
DI	37	34	
Percentage:			
1. Yes	43	41	28
2. Not really	51	51	35
3. No	6	7	5

## 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 : 67 >	End-Dec. 2021	End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Mar. 2023	End-Mar. 2024
Average	-0.11	-0.11	-0.11	-0.11	-0.10	-0.09
Third quartile (75th percentile)	-0.10	-0.10	-0.10	-0.10	-0.10	-0.07
Median	-0.11	-0.10	-0.10	-0.10	-0.10	-0.10
First quartile (25th percentile)	-0.12	-0.12	-0.13	-0.12	-0.11	-0.10

(Newly issued 5-year JGB yield)

(%)

< Number of respondents : 67 >	End-Dec. 2021	End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Mar. 2023	End-Mar. 2024
Average	-0.08	-0.08	-0.07	-0.07	-0.06	-0.03
Third quartile (75th percentile)	-0.07	-0.06	-0.05	-0.05	-0.05	0.00
Median	-0.09	-0.08	-0.07	-0.07	-0.05	-0.05
First quartile (25th percentile)	-0.10	-0.10	-0.10	-0.10	-0.09	-0.07

(Newly issued 10-year JGB yield)

(%)

< Number of respondents : 68 >	End-Dec. 2021	End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Mar. 2023	End-Mar. 2024
Average	0.08	0.09	0.11	0.11	0.14	0.18
Third quartile (75th percentile)	0.10	0.10	0.12	0.15	0.15	0.20
Median	0.10	0.10	0.10	0.10	0.15	0.15
First quartile (25th percentile)	0.06	0.08	0.09	0.10	0.10	0.10

(Newly issued 20-year JGB yield)

(%)

< Number of respondents : 67 >	End-Dec. 2021	End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Mar. 2023	End-Mar. 2024
Average	0.48	0.49	0.51	0.52	0.56	0.61
Third quartile (75th percentile)	0.50	0.50	0.51	0.55	0.58	0.63
Median	0.47	0.49	0.50	0.50	0.55	0.60
First quartile (25th percentile)	0.45	0.45	0.47	0.48	0.50	0.55

(Newly issued 30-year JGB yield)

(%)

< Number of respondents : 66 >	End-Dec. 2021	End-Mar. 2022	End-Jun. 2022	End-Sep. 2022	End-Mar. 2023	End-Mar. 2024
Average	0.70	0.71	0.73	0.74	0.78	0.83
Third quartile (75th percentile)	0.70	0.72	0.75	0.75	0.80	0.86
Median	0.70	0.70	0.70	0.71	0.75	0.80
First quartile (25th percentile)	0.67	0.68	0.70	0.70	0.70	0.75

(2) The probability distribution forecast<sup>6</sup> of the newly issued 10-year JGB yield at end-Mar. 2023 and end-Mar. 2024

(%)

	≤▲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. 2023 (66 respondents)	0.2	1.2	15.0	73.4	7.5	1.3	0.7	0.4	0.2	0.1
End-Mar. 2024 (66 respondents)	0.2	1.2	13.3	67.5	13.9	2.3	0.8	0.5	0.2	0.1

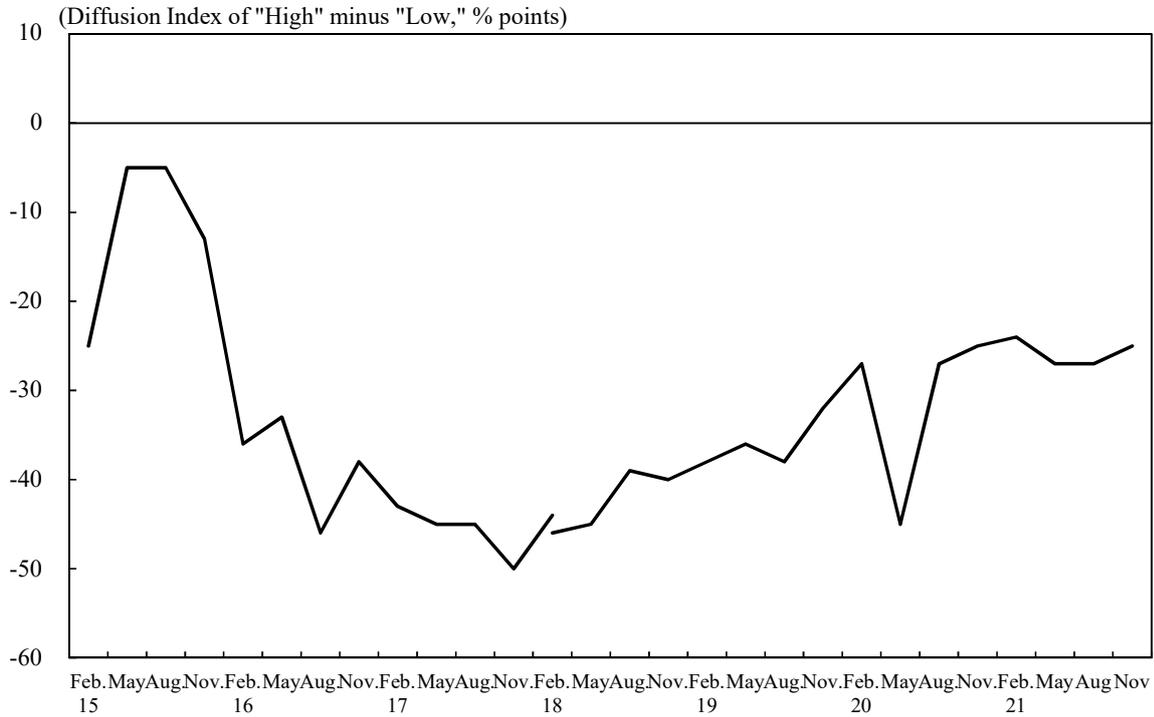
<sup>6</sup> Arithmetic average

Note: The next survey's publication date is March 1, 2022

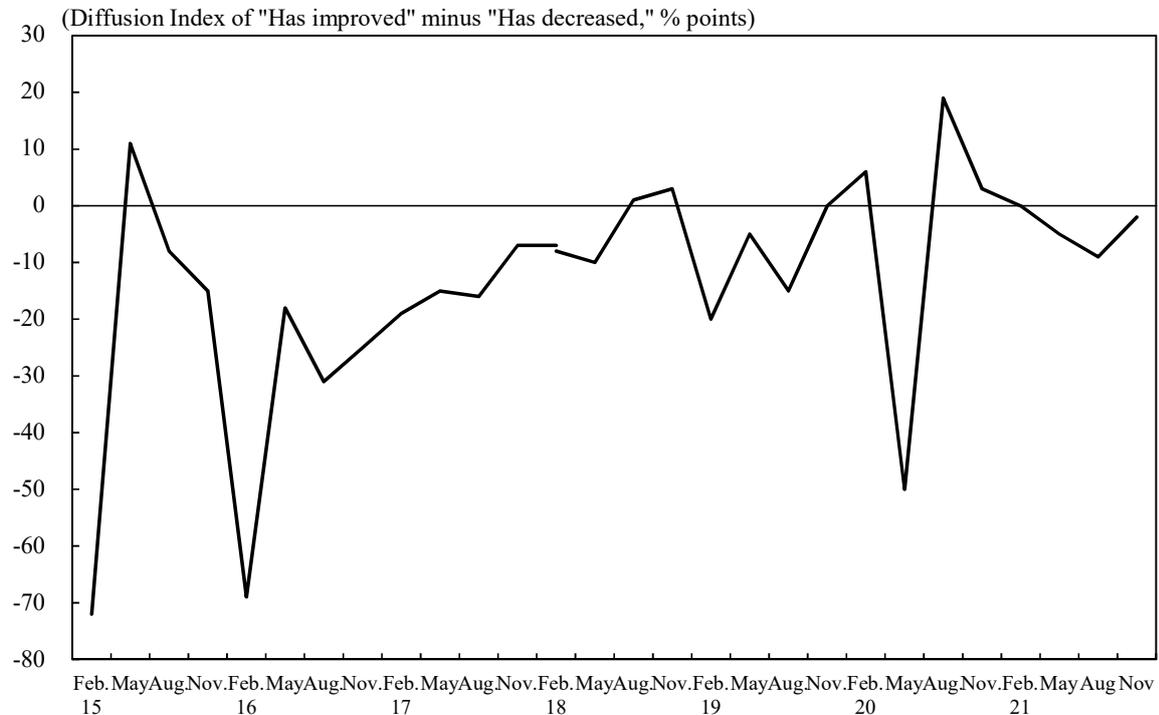
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# Degree of Bond Market Functioning

## 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.