

## Bond Market Survey (August 2024)

Survey period: From August 1 to August 7, 2024

Number of respondents<sup>1</sup>: 72

<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)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI <sup>3</sup>	-24	-23	
Percentage			
1. High	7	3	2
2. Not very high	62	71	51
3. Low	31	26	19

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	7	-8	
Percentage			
1. Has improved	15	3	2
2. Hasn't really improved	76	86	62
3. Has decreased	8	11	8

<sup>3</sup> 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)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-29	-39	
Percentage			
1. Tight	6	3	2
2. Not very tight	59	56	40
3. Wide	35	42	30

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	3	-17	
Percentage			
1. Has tightened	10	1	1
2. Hasn't really tightened	83	81	58
3. Has widened	7	18	13

##### 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)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-33	-40	
Percentage			
1. Large	6	3	2
2. Not very large	55	54	39
3. Small	39	43	31

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-1	-10	
Percentage			
1. Has increased	10	1	1
2. Hasn't really increased	79	88	63
3. Has decreased	11	11	8

<sup>4</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>5</sup>

(Current situation)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-17	-12	
Percentage			
1. High	8	10	7
2. Not very high	66	68	49
3. Low	25	22	16

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	5	1	
Percentage			
1. Has increased	15	8	6
2. Hasn't really increased	75	85	61
3. Has decreased	10	7	5

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

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

(Current situation)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-24	-12	
Percentage			
1. Large	3	3	2
2. Not very large	70	82	59
3. Small	27	15	11

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	7	1	
Percentage			
1. Has increased	14	8	6
2. Hasn't really increased	79	85	61
3. Has decreased	7	7	5

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

(Current situation)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	-22	-18	
Percentage			
1. Large	6	6	4
2. Not very large	66	71	51
3. Small	28	24	17

(Change from three months ago)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	3	-2	
Percentage			
1. Has increased	11	6	4
2. Hasn't really increased	80	86	62
3. Has decreased	8	8	6

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

(Current situation) (%,%points)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	14	10	
Percentage			
1. Yes	32	25	18
2. Not really	49	60	43
3. No	18	15	11

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

(Current situation) (%,%points)

	May 2024 Survey	Aug. 2024 Survey	Number of respondents
DI	15	9	
Percentage			
1. Yes	34	30	21
2. Not really	47	49	35
3. No	19	21	15

## 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 : 70 >	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Mar. 2026	End-Mar. 2027
Average	0.42	0.51	0.57	0.64	0.73	0.80
Third quartile (75th percentile)	0.48	0.60	0.70	0.75	0.90	1.00
Median	0.40	0.50	0.55	0.60	0.70	0.75
First quartile (25th percentile)	0.35	0.40	0.45	0.50	0.50	0.55

(Newly issued 5-year JGB yield) (%)

< Number of respondents : 70 >	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Mar. 2026	End-Mar. 2027
Average	0.61	0.71	0.77	0.83	0.91	0.99
Third quartile (75th percentile)	0.70	0.80	0.90	0.95	1.10	1.20
Median	0.60	0.70	0.75	0.80	0.90	0.93
First quartile (25th percentile)	0.51	0.60	0.60	0.65	0.70	0.70

(Newly issued 10-year JGB yield) (%)

< Number of respondents : 71 >	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Mar. 2026	End-Mar. 2027
Average	1.04	1.12	1.18	1.22	1.29	1.35
Third quartile (75th percentile)	1.10	1.20	1.25	1.39	1.49	1.50
Median	1.03	1.10	1.15	1.20	1.25	1.35
First quartile (25th percentile)	0.98	1.00	1.08	1.06	1.10	1.10

(Newly issued 20-year JGB yield) (%)

< Number of respondents : 70 >	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Mar. 2026	End-Mar. 2027
Average	1.81	1.87	1.92	1.94	1.99	2.02
Third quartile (75th percentile)	1.90	1.95	2.00	2.03	2.15	2.20
Median	1.80	1.85	1.90	1.95	2.00	2.00
First quartile (25th percentile)	1.75	1.80	1.81	1.85	1.90	1.80

(Newly issued 30-year JGB yield) (%)

< Number of respondents : 69 >	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Jun. 2025	End-Mar. 2026	End-Mar. 2027
Average	2.13	2.18	2.21	2.23	2.27	2.30
Third quartile (75th percentile)	2.20	2.30	2.30	2.30	2.40	2.50
Median	2.10	2.20	2.20	2.20	2.25	2.30
First quartile (25th percentile)	2.10	2.10	2.12	2.15	2.15	2.12

(2) The probability distribution forecast<sup>6</sup> of the newly issued 10-year JGB yield at end-Mar. 2026 and end-Mar. 2027

	≤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%	1.51~1.75%	1.76~2.00%	2.01%≤
End-Mar. 2026 (69 respondents)	0.1	0.2	0.8	5.9	18.1	32.0	26.7	10.3	4.7	1.2
End-Mar. 2027 (69 respondents)	0.1	0.3	0.9	5.4	16.2	26.3	24.2	14.9	7.6	4.1

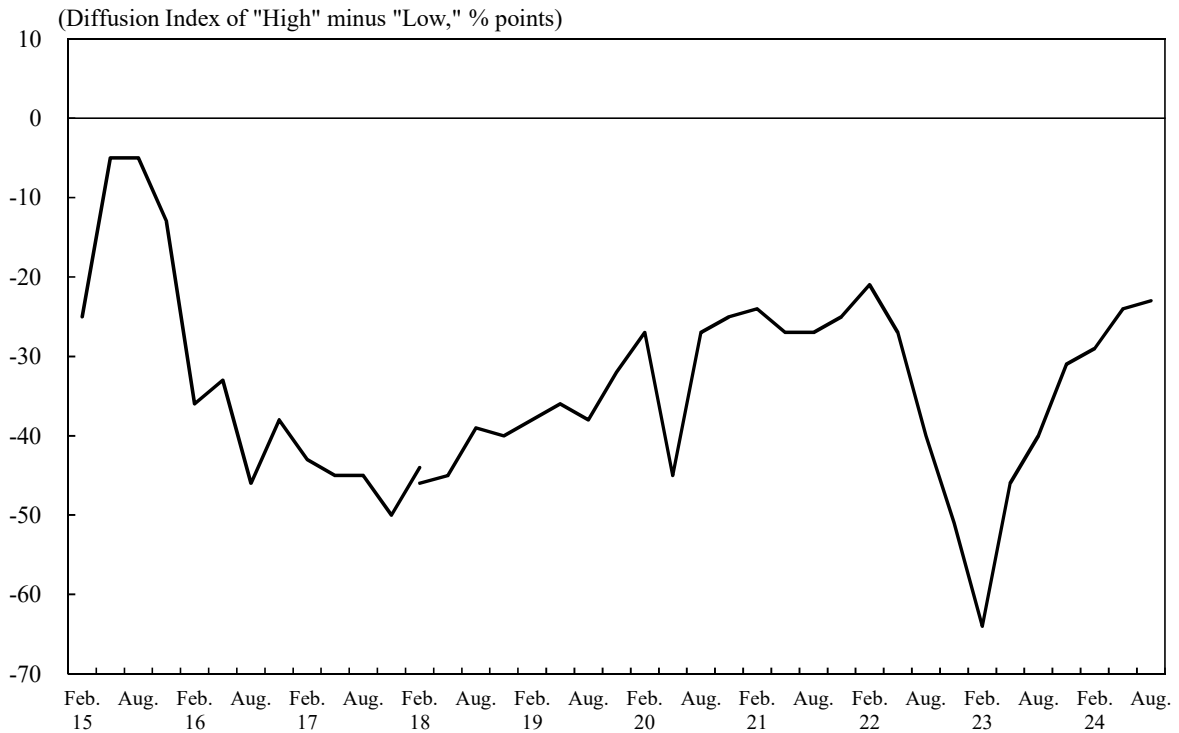
<sup>6</sup> Arithmetic average

**Note: The next survey's publication date is December 2, 2024**

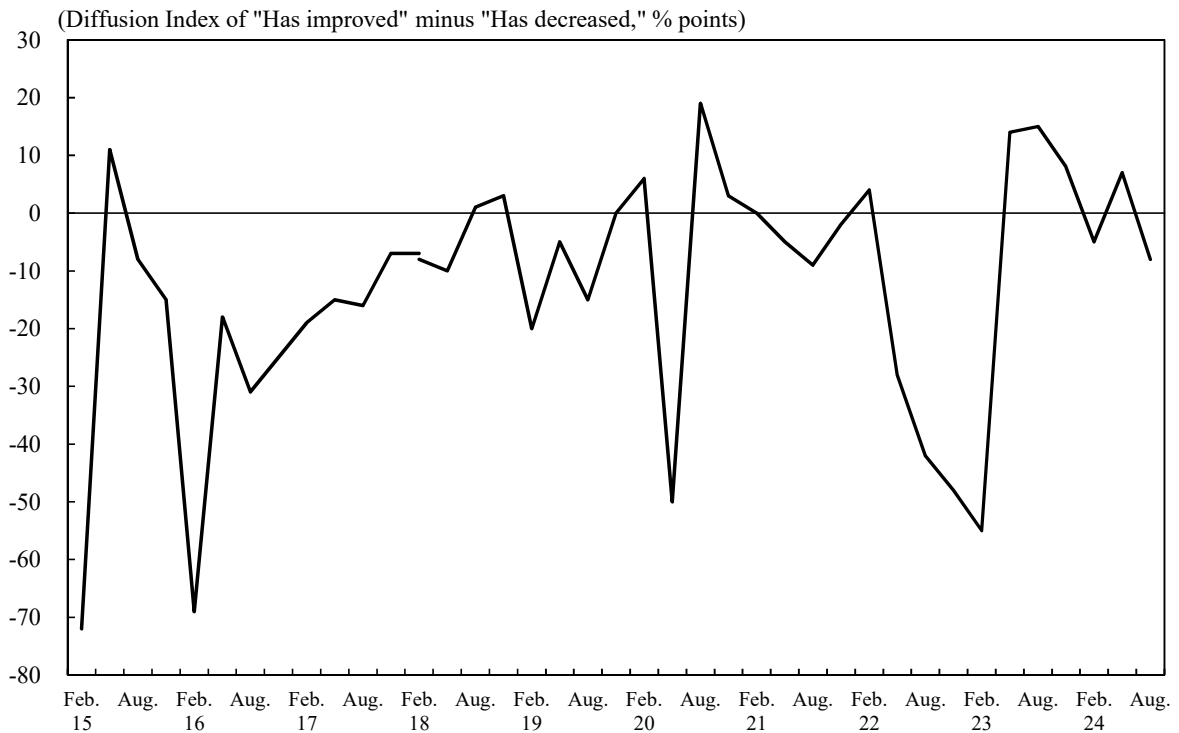
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# Degree of Bond Market Functioning

## Current situation



## Change from three months ago



Notes: 1. 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.

2. The survey is conducted in February, May, August, and November each year.