

## Bond Market Survey (May 2025)

Survey period: From May 1 to May 9, 2025

Number of respondents<sup>1</sup>: 75<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)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI <sup>3</sup>	-13	-44	
Percentage			
1. High	4	1	1
2. Not very high	79	53	40
3. Low	17	45	34

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	15	-47	
Percentage			
1. Has improved	16	0	0
2. Hasn't really improved	83	53	40
3. Has decreased	1	47	35

<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)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-24	-49	
Percentage			
1. Tight	3	0	0
2. Not very tight	71	51	38
3. Wide	27	49	37

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	8	-56	
Percentage			
1. Has tightened	9	0	0
2. Hasn't really tightened	89	44	33
3. Has widened	1	56	42

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)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-26	-59	
Percentage			
1. Large	3	0	0
2. Not very large	68	41	31
3. Small	29	59	44

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	8	-52	
Percentage			
1. Has increased	11	0	0
2. Hasn't really increased	87	48	36
3. Has decreased	3	52	39

<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)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-7	-12	
Percentage			
1. High	9	15	11
2. Not very high	75	59	44
3. Low	16	27	20

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	2	-3	
Percentage			
1. Has increased	9	17	13
2. Hasn't really increased	84	63	47
3. Has decreased	7	20	15

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

## d. The number of your dealing counterparties

(Current situation)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-9	-14	
Percentage			
1. Large	4	5	4
2. Not very large	83	76	57
3. Small	13	19	14

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-3	-10	
Percentage			
1. Has increased	4	5	4
2. Hasn't really increased	89	80	60
3. Has decreased	7	15	11

## e. The lot size of your company

(Current situation)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	-20	-25	
Percentage			
1. Large	5	7	5
2. Not very large	69	61	46
3. Small	25	32	24

(Change from three months ago)

	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	2	-23	
Percentage			
1. Has increased	7	4	3
2. Hasn't really increased	88	69	52
3. Has decreased	5	27	20

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

(Current situation)

		(%, %points)	
	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	19	-12	
Percentage			
1. Yes	32	23	17
2. Not really	55	43	32
3. No	13	35	26

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

(Current situation)

		(%, %points)	
	Feb. 2025 Survey	May 2025 Survey	Number of respondents
DI	20	-5	
Percentage			
1. Yes	36	30	22
2. Not really	47	35	26
3. No	16	35	26

## 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)

(Newly issued 2-year JGB yield)						(%)
< Number of respondents : 73 >	End-Jun. 2025	End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Mar. 2027	End-Mar. 2028
Average	0.66	0.75	0.82	0.92	1.07	1.16
Third quartile (75th percentile)	0.70	0.80	0.90	1.00	1.20	1.30
Median	0.65	0.70	0.80	0.90	1.10	1.10
First quartile (25th percentile)	0.60	0.65	0.75	0.80	0.90	1.00

(Newly issued 5-year JGB yield)

(Newly issued 5-year JGB yield)						(%)
< Number of respondents : 73 >	End-Jun. 2025	End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Mar. 2027	End-Mar. 2028
Average	0.87	0.95	1.04	1.13	1.26	1.34
Third quartile (75th percentile)	0.90	1.00	1.10	1.20	1.40	1.50
Median	0.85	0.95	1.00	1.10	1.20	1.30
First quartile (25th percentile)	0.85	0.90	0.95	1.00	1.10	1.20

(Newly issued 10-year JGB yield)

(Newly issued 10-year JGB yield)						(%)
< Number of respondents : 74 >	End-Jun. 2025	End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Mar. 2027	End-Mar. 2028
Average	1.32	1.38	1.46	1.53	1.63	1.70
Third quartile (75th percentile)	1.35	1.49	1.55	1.60	1.75	1.90
Median	1.30	1.40	1.45	1.50	1.60	1.70
First quartile (25th percentile)	1.30	1.30	1.38	1.45	1.50	1.50

(Newly issued 20-year JGB yield)

(Newly issued 20-year JGB yield)						(%)
< Number of respondents : 73 >	End-Jun. 2025	End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Mar. 2027	End-Mar. 2028
Average	2.24	2.27	2.31	2.34	2.40	2.44
Third quartile (75th percentile)	2.30	2.35	2.40	2.40	2.50	2.61
Median	2.25	2.30	2.30	2.35	2.40	2.45
First quartile (25th percentile)	2.20	2.20	2.25	2.25	2.30	2.30

(Newly issued 30-year JGB yield)

(Newly issued 30-year JGB yield)						(%)
< Number of respondents : 72 >	End-Jun. 2025	End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Mar. 2027	End-Mar. 2028
Average	2.72	2.74	2.76	2.78	2.82	2.84
Third quartile (75th percentile)	2.80	2.85	2.90	2.91	3.00	3.00
Median	2.72	2.77	2.80	2.80	2.80	2.85
First quartile (25th percentile)	2.60	2.64	2.66	2.64	2.70	2.70

(2) The probability distribution forecast<sup>6</sup> of the newly issued 10-year JGB yield at end-Mar. 2027 and end-Mar. 2028

	(%)									
	≤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%	2.01~2.25%	2.26~2.50%	2.51%≤
End-Mar. 2027 (73 respondents)	0.4	2.3	4.6	13.2	27.0	29.0	15.7	5.4	1.8	0.6
End-Mar. 2028 (73 respondents)	0.7	2.2	4.4	9.8	19.9	28.3	19.5	10.2	3.7	1.3

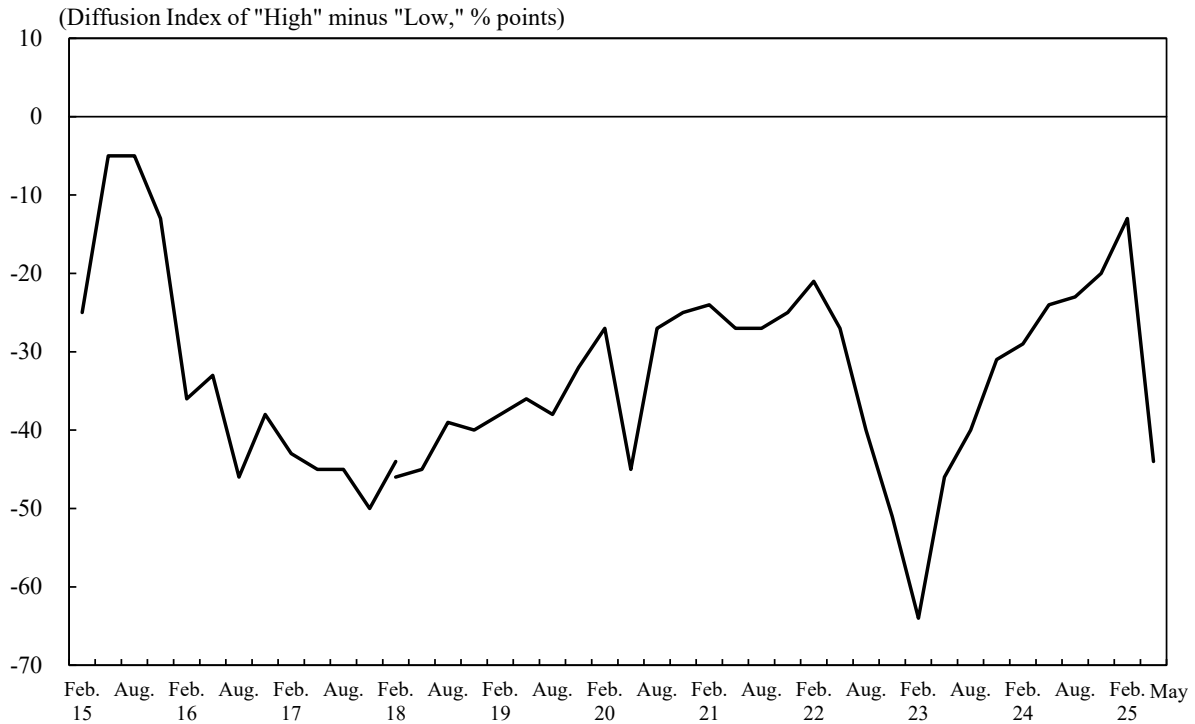
<sup>6</sup> Arithmetic average

Note: The next survey's publication date is September 1, 2025

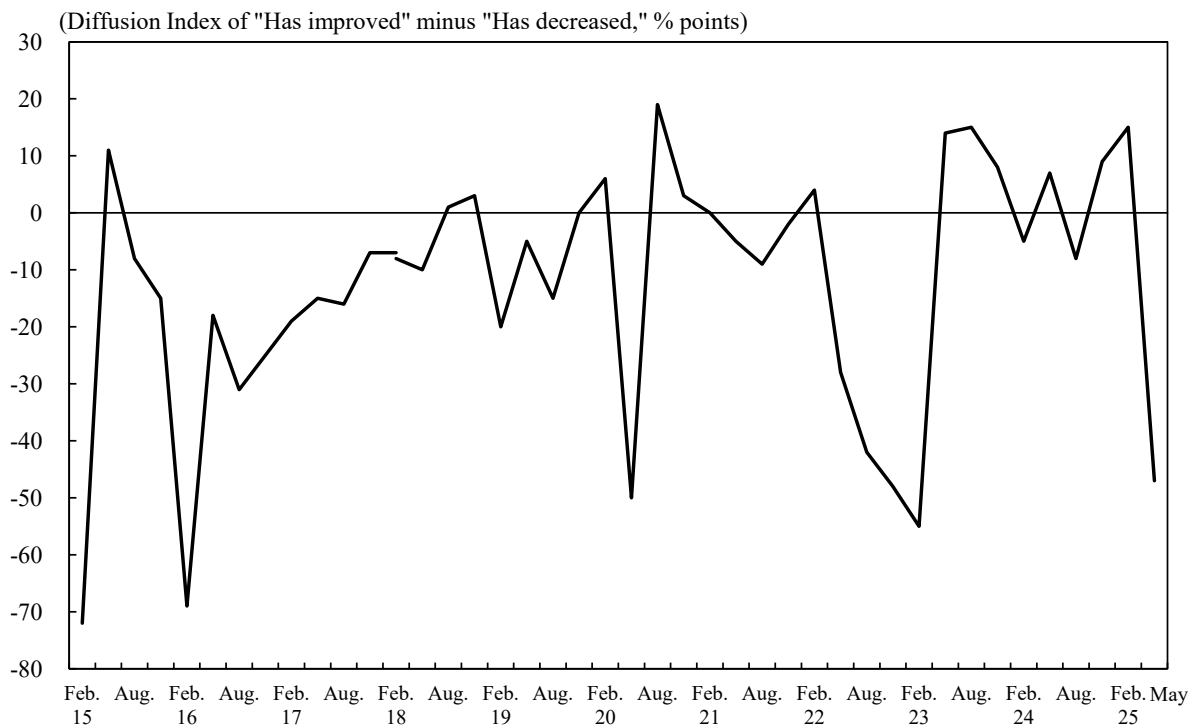
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## Degree of Bond Market Functioning

### 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.