

Bond Market Survey (August 2025)

Survey period: From August 1 to August 7, 2025

Number of respondents¹: 75

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)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI ³	-44	-34		
Percentage				
1. High	1	1	1	
2. Not very high	53	64	48	
3. Low	45	35	26	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-47	7		
Percentage				
1. Has improved	0	12	9	
2. Hasn't really improved	53	83	62	
3. Has decreased	47	5	4	

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)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-49	-40		
Percentage				
1. Tight	0	1	1	
2. Not very tight	51	57	43	
3. Wide	49	41	31	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-56	4		
Percentage				
1. Has tightened	0	12	9	
2. Hasn't really tightened	44	80	60	
3. Has widened	56	8	6	

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

(Current situation)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-59	-45		
Percentage				
1. Large	0	0	0	
2. Not very large	41	55	41	
3. Small	59	45	34	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-52	-9		
Percentage				
1. Has increased	0	7	5	
2. Hasn't really increased	48	77	58	
3. Has decreased	52	16	12	

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)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-12	-11		
Percentage				
1. High	15	12	9	
2. Not very high	59	65	49	
3. Low	27	23	17	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-3	-4		
Percentage				
1. Has increased	17	8	6	
2. Hasn't really increased	63	80	60	
3. Has decreased	20	12	9	

⁵ Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

(Current situation)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-14	-14		
Percentage				
1. Large	5	3	2	
2. Not very large	76	80	60	
3. Small	19	17	13	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-10	-3		
Percentage				
1. Has increased	5	8	6	
2. Hasn't really increased	80	81	61	
3. Has decreased	15	11	8	

e. The lot size of your company

(Current situation)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-25	-20		
Percentage				
1. Large	7	7	5	
2. Not very large	61	67	50	
3. Small	32	27	20	

(Change from three months ago)		(%,%points)		
	May 2025 Survey	Aug. 2025 Survey	Number of respondents	
DI	-23	-6		
Percentage				
1. Has increased	4	3	2	
2. Hasn't really increased	69	88	66	
3. Has decreased	27	9	7	

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

(Current situation)

		(%, %points)		
		May 2025 Survey	Aug. 2025 Survey	Number of respondents
DI		-12	-2	
	Percentage			
	1. Yes	23	25	19
	2. Not really	43	48	36
	3. No	35	27	20

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

(Current situation)

		(%, %points)		
		May 2025 Survey	Aug. 2025 Survey	Number of respondents
DI		-5	1	
	Percentage			
	1. Yes	30	27	20
	2. Not really	35	47	35
	3. No	35	26	19

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 : 73 >		End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Jun. 2026	End-Mar. 2027	End-Mar. 2028
Average		0.82	0.89	0.97	1.04	1.14	1.19
Third quartile (75th percentile)		0.85	0.95	1.00	1.10	1.25	1.30
Median		0.80	0.90	0.95	1.03	1.10	1.20
First quartile (25th percentile)		0.80	0.85	0.90	0.95	1.00	1.00

(Newly issued 5-year JGB yield)

		(%)					
< Number of respondents : 73 >		End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Jun. 2026	End-Mar. 2027	End-Mar. 2028
Average		1.08	1.15	1.22	1.28	1.36	1.40
Third quartile (75th percentile)		1.10	1.20	1.30	1.35	1.45	1.51
Median		1.10	1.15	1.20	1.28	1.35	1.40
First quartile (25th percentile)		1.05	1.10	1.15	1.20	1.25	1.24

(Newly issued 10-year JGB yield)

		(%)					
< Number of respondents : 74 >		End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Jun. 2026	End-Mar. 2027	End-Mar. 2028
Average		1.54	1.60	1.65	1.70	1.75	1.79
Third quartile (75th percentile)		1.60	1.65	1.70	1.80	1.85	2.00
Median		1.55	1.60	1.65	1.70	1.75	1.80
First quartile (25th percentile)		1.50	1.55	1.60	1.63	1.65	1.65

(Newly issued 20-year JGB yield)

		(%)					
< Number of respondents : 73 >		End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Jun. 2026	End-Mar. 2027	End-Mar. 2028
Average		2.52	2.55	2.57	2.59	2.61	2.61
Third quartile (75th percentile)		2.60	2.60	2.65	2.70	2.75	2.75
Median		2.50	2.55	2.60	2.60	2.65	2.60
First quartile (25th percentile)		2.50	2.50	2.50	2.50	2.50	2.50

(Newly issued 30-year JGB yield)

		(%)					
< Number of respondents : 72 >		End-Sep. 2025	End-Dec. 2025	End-Mar. 2026	End-Jun. 2026	End-Mar. 2027	End-Mar. 2028
Average		3.05	3.06	3.07	3.07	3.09	3.07
Third quartile (75th percentile)		3.10	3.15	3.20	3.20	3.25	3.20
Median		3.05	3.10	3.10	3.10	3.10	3.10
First quartile (25th percentile)		3.00	3.00	3.00	3.00	3.00	3.00

(2) The probability distribution forecast⁶ 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)	0.2	0.7	2.3	7.0	19.2	33.1	24.1	9.2	3.1	1.0
End-Mar. 2028	(73 respondents)	0.3	1.0	2.8	6.3	16.3	28.6	25.6	12.7	4.7	1.8

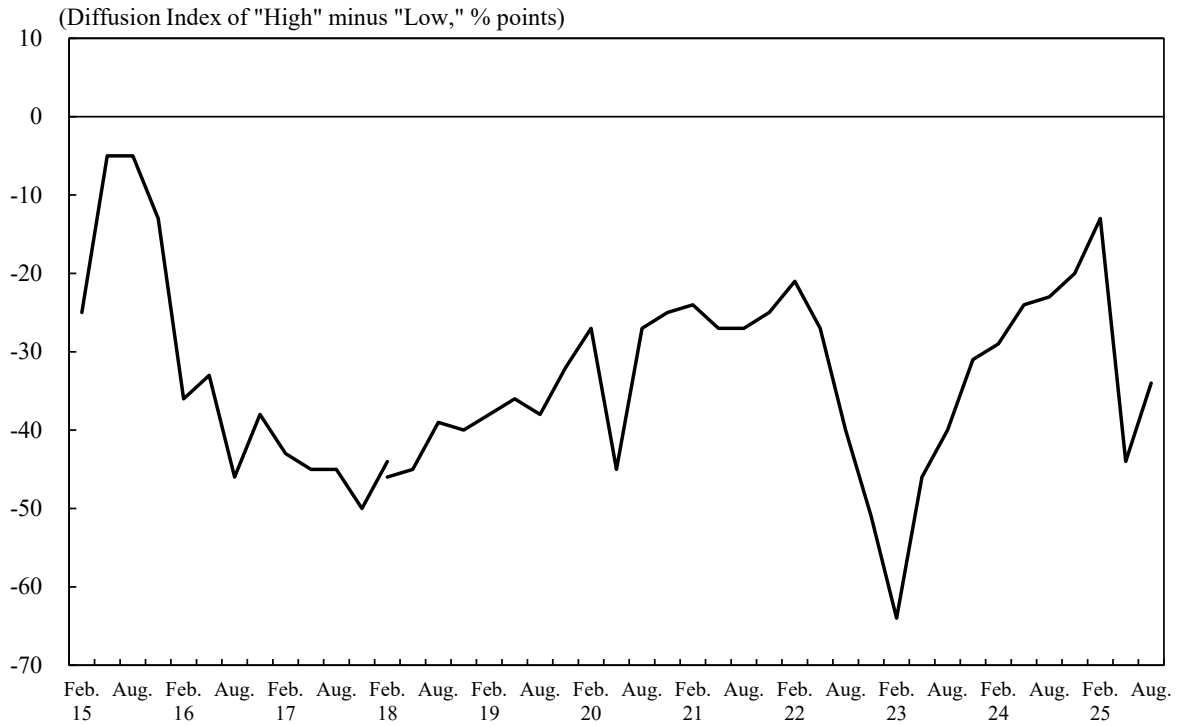
⁶ Arithmetic average

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

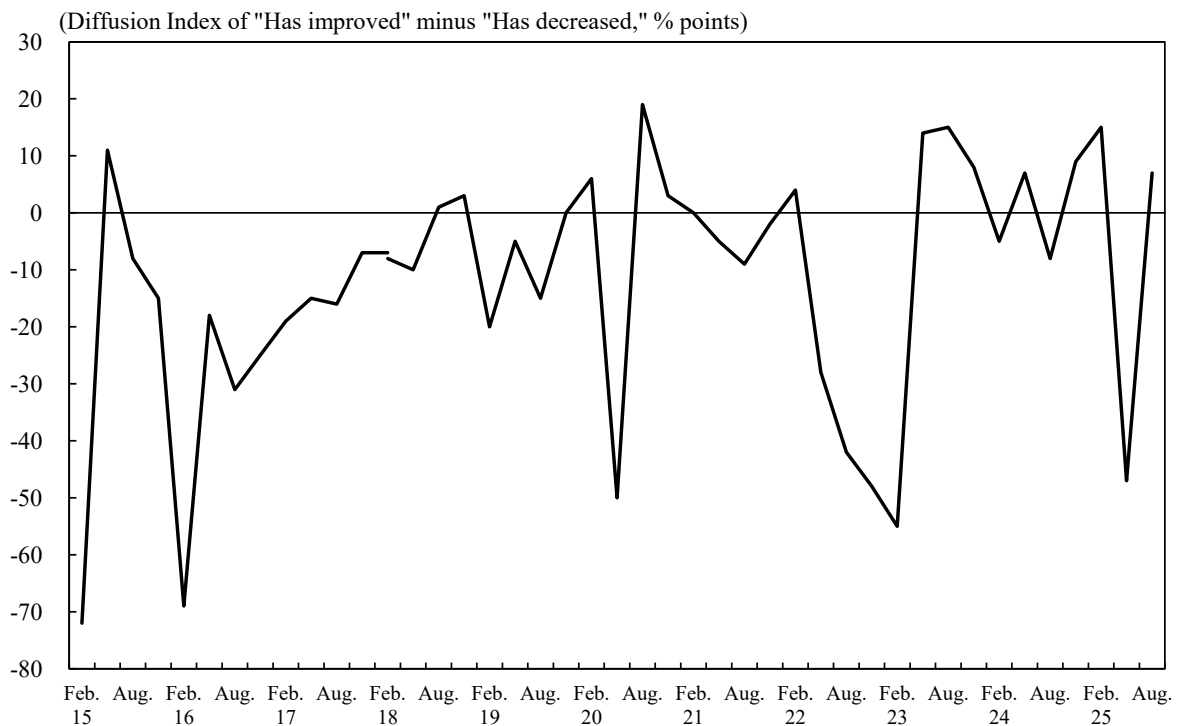
Inquiries: Market Infrastructure Group, Market Infrastructure Division, Financial Markets Department
E-mail: post.fmd29@boj.or.jp

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.