

Bond Market Survey (May 2026)

Survey period: From May 1 to May 12, 2026

Number of respondents¹: 77

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)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI ³		-26	-16	/		
	Percentage					
	1. High	3	5			4
	2. Not very high	68	74			57
	3. Low	29	21	16		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-13	12	/		
	Percentage					
	1. Has improved	3	13			10
	2. Hasn't really improved	82	86			66
	3. Has decreased	16	1	1		

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)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-31	-23	/		
	Percentage					
	1. Tight	3	4			3
	2. Not very tight	63	69			53
	3. Wide	34	27	21		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-20	8	/		
	Percentage					
	1. Has tightened	0	9			7
	2. Hasn't really tightened	80	90			69
	3. Has widened	20	1	1		

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

(Current situation)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-38	-26	/		
	Percentage					
	1. Large	0	3			2
	2. Not very large	62	69			53
	3. Small	38	29	22		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-17	12	/		
	Percentage					
	1. Has increased	3	12			9
	2. Hasn't really increased	78	88			68
	3. Has decreased	20	0	0		

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)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-1	-2	/		
	Percentage					
	1. High	17	16			12
	2. Not very high	64	66			51
	3. Low	18	18	14		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		4	0	/		
	Percentage					
	1. Has increased	13	12			9
	2. Hasn't really increased	78	77			59
	3. Has decreased	9	12	9		

⁵ Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

(Current situation)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-6	-1	/		
	Percentage					
	1. Large	7	13			10
	2. Not very large	80	73			56
	3. Small	13	14	11		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-1	2	/		
	Percentage					
	1. Has increased	4	10			8
	2. Hasn't really increased	91	82			63
	3. Has decreased	5	8	6		

e. The lot size of your company

(Current situation)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		-15	-12	/		
	Percentage					
	1. Large	9	9			7
	2. Not very large	67	70			54
	3. Small	24	21	16		

(Change from three months ago)

		Feb. 2026 Survey		May 2026 Survey		Number of respondents
DI		9	0	/		
	Percentage					
	1. Has increased	13	8			6
	2. Hasn't really increased	83	84			65
	3. Has decreased	4	8	6		

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

(Current situation)

		(%,%points)		
		Feb. 2026 Survey	May 2026 Survey	Number of respondents
DI		7	18	
Percentages	1. Yes	25	31	24
	2. Not really	57	56	43
	3. No	18	13	10

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

(Current situation)

		(%,%points)		
		Feb. 2026 Survey	May 2026 Survey	Number of respondents
DI		9	19	
Percentages	1. Yes	32	33	25
	2. Not really	45	53	40
	3. No	23	14	11

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 : 75 >		End-Jun. 2026	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Mar. 2028	End-Mar. 2029
Average		1.42	1.48	1.58	1.66	1.79	1.83
Third quartile (75th percentile)		1.45	1.55	1.65	1.75	2.00	2.00
Median		1.40	1.50	1.60	1.70	1.75	1.80
First quartile (25th percentile)		1.40	1.40	1.50	1.53	1.64	1.65

(Newly issued 5-year JGB yield)

		(%)					
< Number of respondents : 75 >		End-Jun. 2026	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Mar. 2028	End-Mar. 2029
Average		1.90	1.95	2.02	2.08	2.19	2.22
Third quartile (75th percentile)		1.95	2.00	2.10	2.20	2.35	2.40
Median		1.90	1.95	2.00	2.05	2.20	2.20
First quartile (25th percentile)		1.85	1.90	1.95	2.00	2.05	2.01

(Newly issued 10-year JGB yield)

		(%)					
< Number of respondents : 76 >		End-Jun. 2026	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Mar. 2028	End-Mar. 2029
Average		2.50	2.55	2.63	2.66	2.75	2.77
Third quartile (75th percentile)		2.55	2.60	2.70	2.80	2.92	3.00
Median		2.50	2.55	2.60	2.65	2.70	2.70
First quartile (25th percentile)		2.50	2.50	2.50	2.50	2.60	2.57

(Newly issued 20-year JGB yield)

		(%)					
< Number of respondents : 75 >		End-Jun. 2026	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Mar. 2028	End-Mar. 2029
Average		3.37	3.40	3.44	3.44	3.48	3.47
Third quartile (75th percentile)		3.40	3.46	3.50	3.52	3.60	3.60
Median		3.37	3.40	3.40	3.40	3.50	3.50
First quartile (25th percentile)		3.30	3.30	3.31	3.30	3.30	3.30

(Newly issued 30-year JGB yield)

		(%)					
< Number of respondents : 74 >		End-Jun. 2026	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Mar. 2028	End-Mar. 2029
Average		3.73	3.75	3.78	3.78	3.80	3.78
Third quartile (75th percentile)		3.76	3.80	3.90	3.90	3.90	3.90
Median		3.70	3.75	3.80	3.80	3.80	3.80
First quartile (25th percentile)		3.70	3.70	3.68	3.70	3.66	3.65

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2028 and end-Mar. 2029

		(%)									
		≤1.50%	1.51~1.75%	1.76~2.00%	2.01~2.25%	2.26~2.50%	2.51~2.75%	2.76~3.00%	3.01~3.25%	3.26~3.50%	3.51% ≤
End-Mar. 2028	(75 respondents)	0.4	1.0	2.7	6.9	17.7	28.6	24.3	11.1	5.5	1.8
End-Mar. 2029	(74 respondents)	0.6	1.1	3.1	7.6	17.0	24.8	22.5	13.0	6.5	3.8

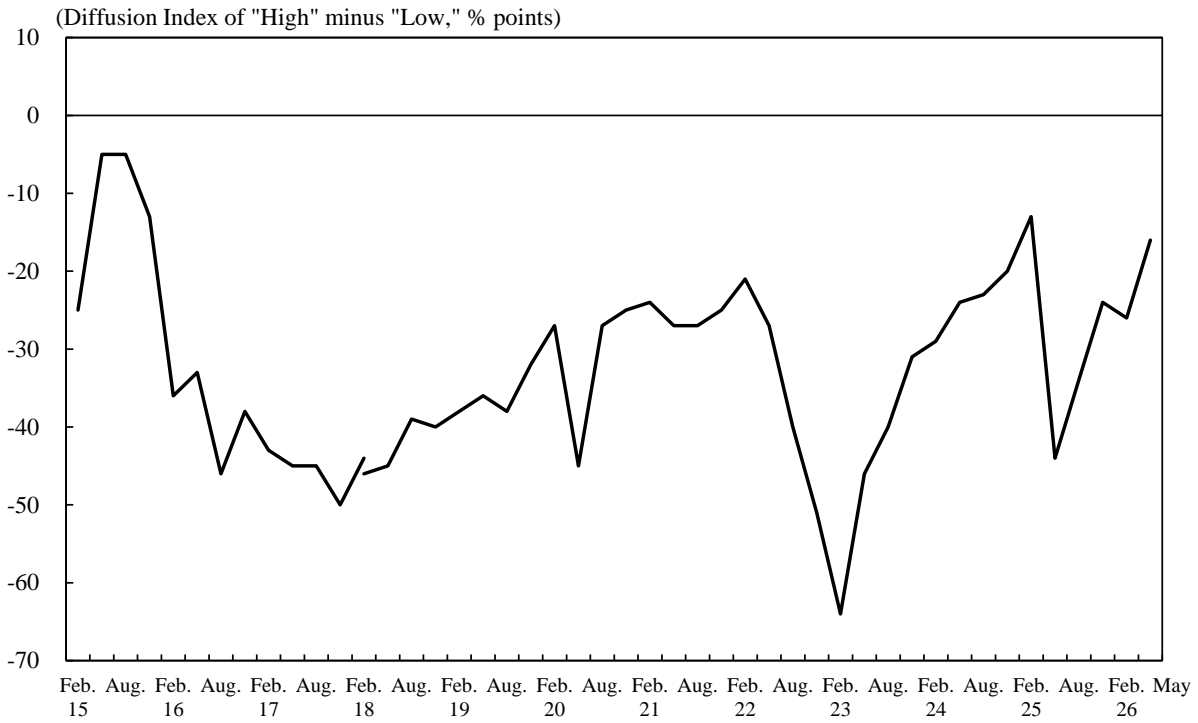
⁶ Arithmetic average

Note: The next survey's publication date is September 1, 2026

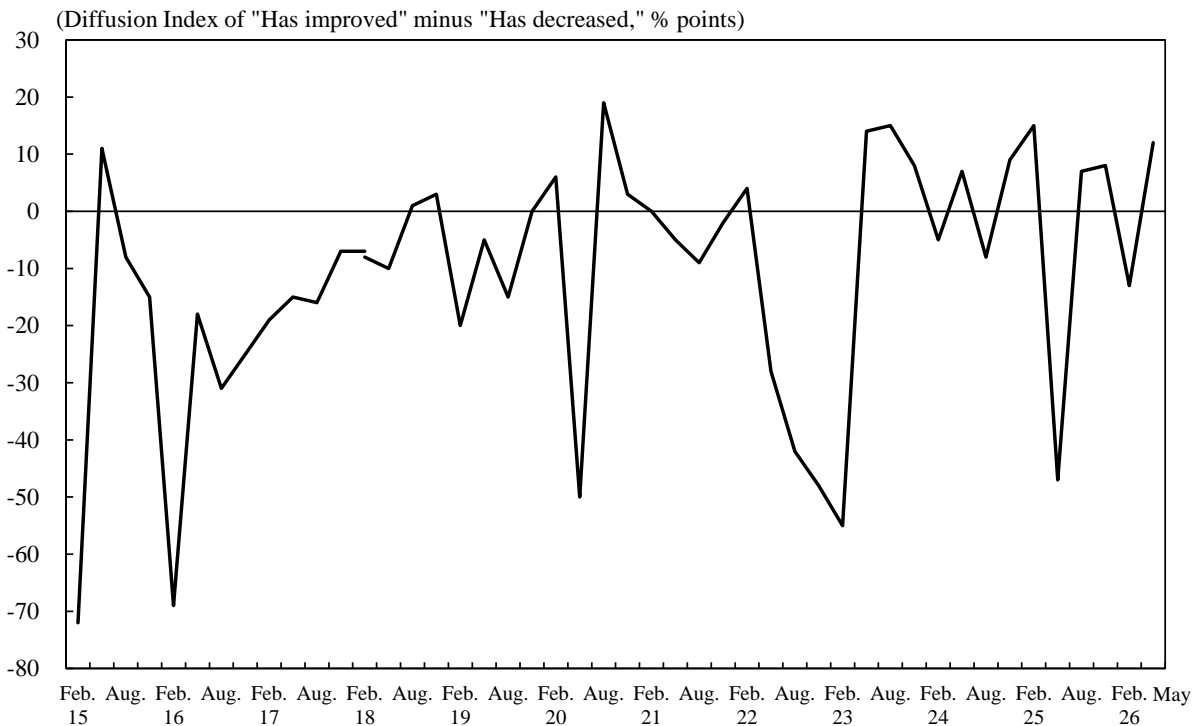
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Degree of Bond Market Functioning

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.