September 1, 2026

Financial Markets Department, Bank of Japan

Bond Market Survey
(August 2026)

Survey period: From August 3 to August 7, 2026

Number of respondents[1]: 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 viewpoint[2]

[2] Answer these questions taking into account your answers to（2）a. to g. as a whole.

（Current situation） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI[3]		-16	-12	
Percentage	1. High	5	6	5
	2. Not very high	74	75	58
	3. Low	21	18	14

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		12	0	
Percentage	1. Has improved	13	8	6
	2. Hasn't really improved	86	84	65
	3. Has decreased	1	8	6

[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 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		-23	-25	
Percentage	1. Tight	4	5	4
	2. Not very tight	69	65	50
	3. Wide	27	30	23

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		8	-4	
Percentage	1. Has tightened	9	5	4
	2. Hasn't really tightened	90	86	66
	3. Has widened	1	9	7

b. The order quantity by market participants from your company's viewpoint, taking into account "thickness" of the trading board[4]

（Current situation） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		-26	-33	
Percentage	1. Large	3	1	1
	2. Not very large	69	65	50
	3. Small	29	34	26

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		12	-5	
Percentage	1. Has increased	12	5	4
	2. Hasn't really increased	88	84	65
	3. Has decreased	0	10	8

[4] "Thickness" of the trading board refers to the order quantity for each bid and ask price.

c. The dealing frequency of your company[5]

（Current situation） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		-2	-6	
Percentage	1. High	16	13	10
	2. Not very high	66	68	52
	3. Low	18	19	15

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		0	-11	
Percentage	1. Has increased	12	6	5
	2. Hasn't really increased	77	77	59
	3. Has decreased	12	17	13

[5] Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

（Current situation） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		-1	-3	
Percentage	1. Large	13	9	7
	2. Not very large	73	79	61
	3. Small	14	12	9

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		2	0	
Percentage	1. Has increased	10	8	6
	2. Hasn't really increased	82	84	65
	3. Has decreased	8	8	6

e. The lot size of your company

（Current situation） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		-12	-16	
Percentage	1. Large	9	6	5
	2. Not very large	70	71	55
	3. Small	21	22	17

（Change from three months ago） (%,%points)

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		0	-5	
Percentage	1. Has increased	8	4	3
	2. Hasn't really increased	84	87	67
	3. Has decreased	8	9	7

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

（Current situation）

（%,%points）

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		18	16	
Percentage	1. Yes	31	30	23
	2. Not really	56	56	43
	3. No	13	14	11

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

（Current situation）

（%,%points）

		May 2026 Survey	Aug. 2026 Survey	Number of respondents
DI		19	19	
Percentage	1. Yes	33	33	25
	2. Not really	53	53	40
	3. No	14	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-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Jun. 2027	End-Mar. 2028	End-Mar. 2029
Average	1.58	1.68	1.77	1.85	1.92	1.96
Third quartile (75th percentile)	1.62	1.75	1.85	2.00	2.05	2.10
Median	1.60	1.70	1.77	1.85	1.90	2.00
First quartile (25th percentile)	1.50	1.60	1.70	1.75	1.80	1.80

（Newly issued 5-year JGB yield）

（%）

＜Number of respondents：75＞	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Jun. 2027	End-Mar. 2028	End-Mar. 2029
Average	2.08	2.17	2.24	2.29	2.34	2.36
Third quartile (75th percentile)	2.10	2.25	2.30	2.40	2.50	2.50
Median	2.10	2.17	2.20	2.30	2.30	2.30
First quartile (25th percentile)	2.00	2.10	2.13	2.20	2.20	2.20

（Newly issued 10-year JGB yield）

（%）

＜Number of respondents：76＞	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Jun. 2027	End-Mar. 2028	End-Mar. 2029
Average	2.82	2.90	2.95	2.98	3.01	3.00
Third quartile (75th percentile)	2.90	2.98	3.00	3.10	3.20	3.20
Median	2.80	2.90	2.95	3.00	3.00	3.00
First quartile (25th percentile)	2.80	2.83	2.89	2.90	2.85	2.80

（Newly issued 20-year JGB yield）

（%）

＜Number of respondents：75＞	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Jun. 2027	End-Mar. 2028	End-Mar. 2029
Average	3.71	3.74	3.76	3.76	3.78	3.76
Third quartile (75th percentile)	3.75	3.80	3.85	3.90	3.90	3.99
Median	3.70	3.75	3.75	3.80	3.80	3.78
First quartile (25th percentile)	3.70	3.69	3.70	3.70	3.60	3.60

（Newly issued 30-year JGB yield）

（%）

＜Number of respondents：74＞	End-Sep. 2026	End-Dec. 2026	End-Mar. 2027	End-Jun. 2027	End-Mar. 2028	End-Mar. 2029
Average	3.98	4.01	4.02	4.02	4.03	4.01
Third quartile (75th percentile)	4.00	4.09	4.10	4.10	4.20	4.20
Median	4.00	4.00	4.00	4.00	4.05	4.00
First quartile (25th percentile)	3.91	3.95	3.91	3.90	3.81	3.80

(2) The probability distribution forecast[6] of the newly issued 10-year JGB yield at end-Mar. 2028 and end-Mar. 2029

（%）

	≦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%	3.51～3.75%	3.76%≦
End-Mar. 2028 〈75 respondents〉	0.4	1.1	2.2	6.1	15.6	27.7	24.9	13.9	6.0	2.1
End-Mar. 2029 〈75 respondents〉	0.9	1.2	3.0	6.6	14.8	25.7	22.3	15.0	7.8	2.6

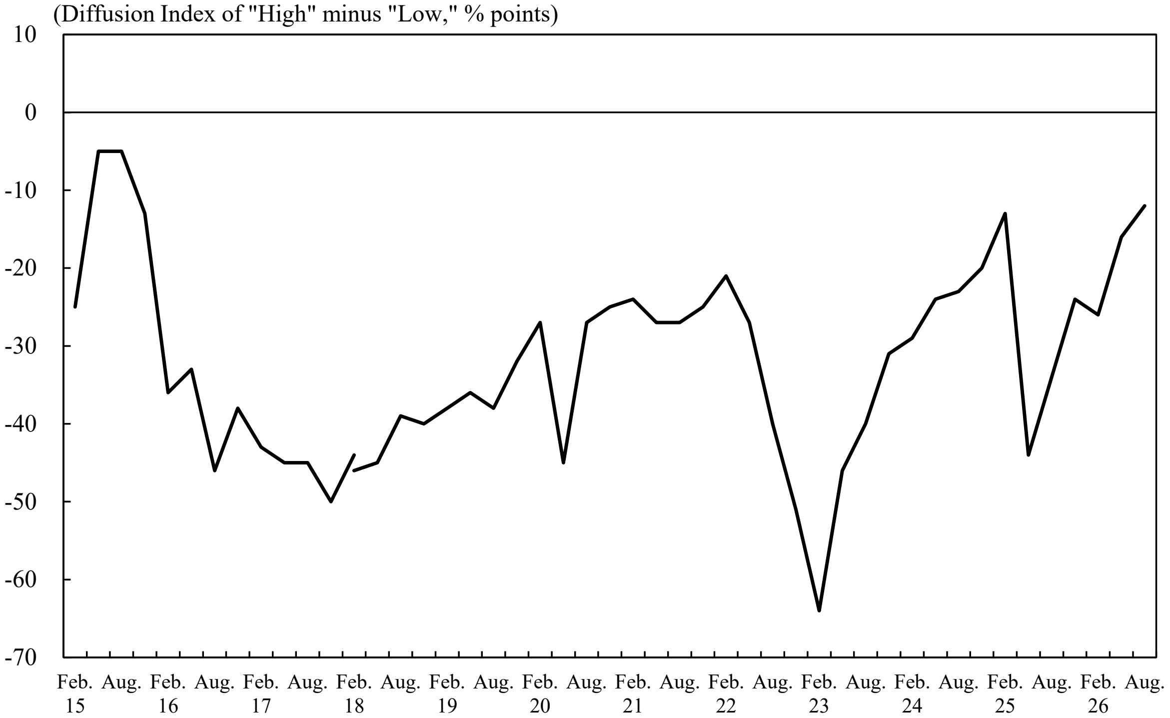
[6] Arithmetic average

<u>Note: The next survey's publication date is December 1, 2026</u>

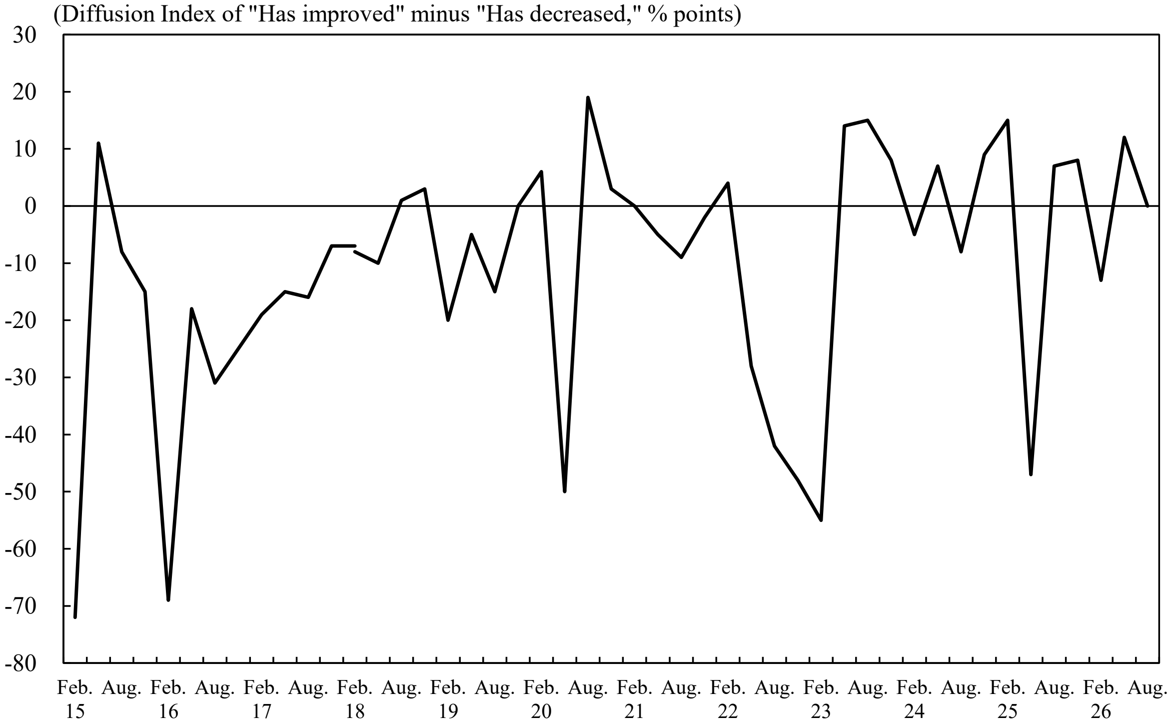
Inquiries: Market Infrastructure Group, Market Infrastructure Division, Financial Markets Department
E-mail: post.fmd29@boj.or.jp

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.