

November 2022

Trends in the Money Market in Japan

— Results of the Tokyo Money Market Survey (August 2022) —

Financial Markets Department
Bank of Japan

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Financial Markets Department, Bank of Japan

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Results of the Tokyo Money Market Survey (August 2022)

■ Introduction ■

The Financial Markets Department of the Bank of Japan (the Bank) has conducted the Tokyo Money Market Survey since 2008 to understand developments in the Japanese money market. Initially, this series of surveys was conducted every other year. However, to observe market trends more precisely, the Bank decided to conduct the survey annually, beginning with the 2013 survey. In August 2022, the 13th survey in the series was carried out (the survey was conducted as of the end of July 2022).

As with the previous surveys, this survey covers eligible counterparties in the Bank's market operations, as well as other major participants in the money market. The number of respondents in the survey was 383 (with a response rate of 100 percent).

The Bank intends to capture comprehensively and from various angles the situations and structural changes in the money market, utilizing the results of this survey as well as the results of the Bond Market Survey. The Bank will continue to enhance dialogue with market participants by taking advantage of the Meeting on Market Operations and the Bond Market Group Meeting to actively support the relevant parties in their efforts to enhance Japanese financial markets, including the money market. The Bank intends to contribute significantly to such endeavors in its capacity as Japan's central bank.

Number of Respondents in the Tokyo Money Market Survey

	2021 survey	2022 survey
Total respondents	381	383
Eligible counterparties in the Bank's market operations	354	356

Note: In addition to the eligible counterparties in the Bank's market operations, several major life insurance companies, general insurance companies, and asset management companies participated in the survey.

■ Overview ■

The amounts outstanding in the money market increased from the levels of the previous year on both the cash borrowing side and the cash lending side.¹

This was because (1) repo transactions increased due to growing demand for bonds particularly by non-residents and (2) yen fund transactions with overseas counterparties increased, due to factors such as higher demand for dollar funds caused by heightening uncertainty over the outlook for U.S. interest rates as well as an increase in yen equivalents resulting from the yen's depreciation. Meanwhile, (3) transactions with the Bank decreased compared to the previous year as the amount outstanding of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)² (hereinafter referred to as the "Special Operations in Response to COVID-19") decreased due to maturity, following the Bank's completion of the fund-provisioning against private debt pledged as collateral.

With respect to the functioning of the money market (as of the end of July 2022), nearly 90 percent of all respondents answered that it remained "mostly unchanged" from the previous year. However, at the same time, the share of respondents who answered that it had "improved" (4 percent) decreased somewhat, whereas the share of respondents who answered that it had "declined" (9 percent) increased somewhat, compared to the previous survey.

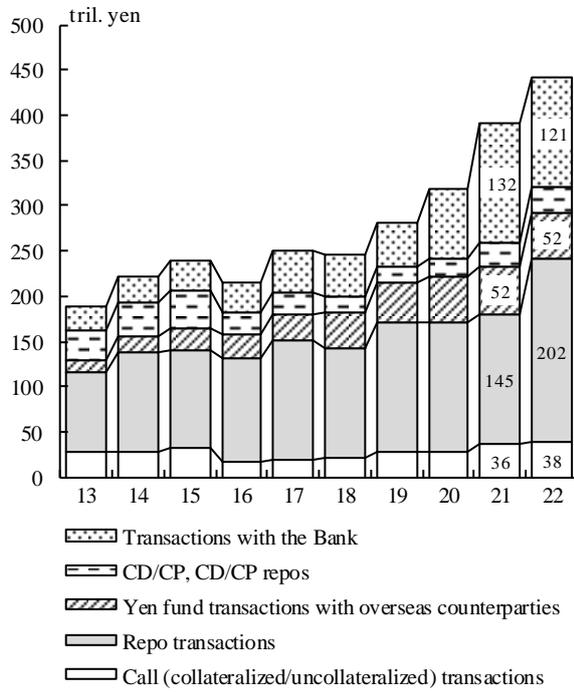
The Bank intends to continue to closely monitor the developments in the money market through day-to-day monitoring activities, the implementation of the Tokyo Money Market Survey, and dialogue with market participants.

¹ The discrepancies between the figures on the cash lending side and borrowing side are due to constraints regarding the counterparties covered by this survey (e.g., non-residents are not included), and the fact that some types of transactions are recorded only on one side (e.g., transactions with the Bank are recorded only on the cash borrowing side, while treasury discount bills [T-Bills] are recorded only on the cash lending side).

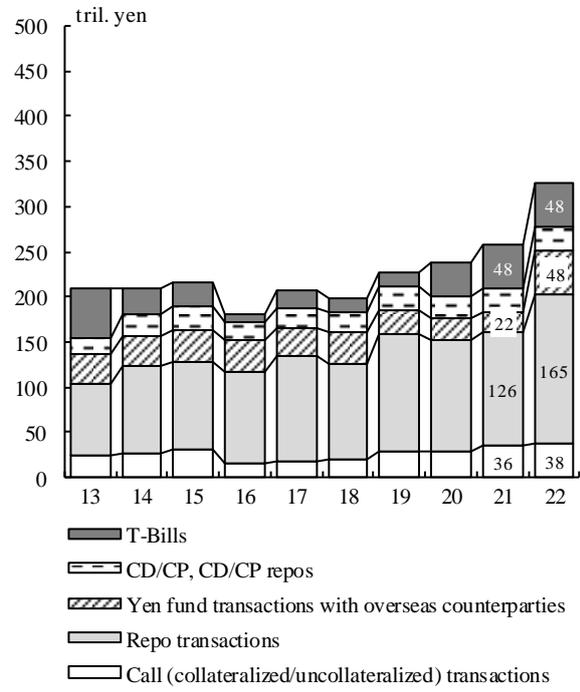
² For details, see "Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)" (https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/) on the Bank of Japan's website. Note that the fund-provisioning against private debt pledged as collateral was completed at the end of March 2022.

Amount Outstanding in the Money Market

Cash Borrowing Side



Cash Lending Side



1. GC Repo Transactions Increased from the Previous Year

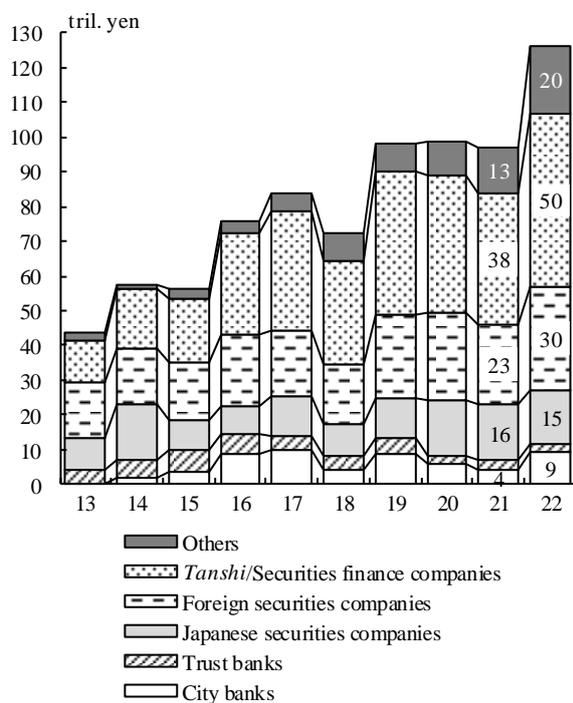
Of repo market³ transactions, the amount outstanding of general collateral (GC) repos⁴ increased from the previous year.

On the cash borrowing side, bond lending from *tanshi* companies and foreign securities companies to non-residents and some foreign securities companies increased. Moreover, some city banks pointed out that they had increased their cash borrowing on the back of an increase in the unused allowances of macro add-on balances after the Benchmark Ratio applied to financial institutions' current account balances at the Bank was raised, and a decline in the repo rate reflecting growing demand for bonds.

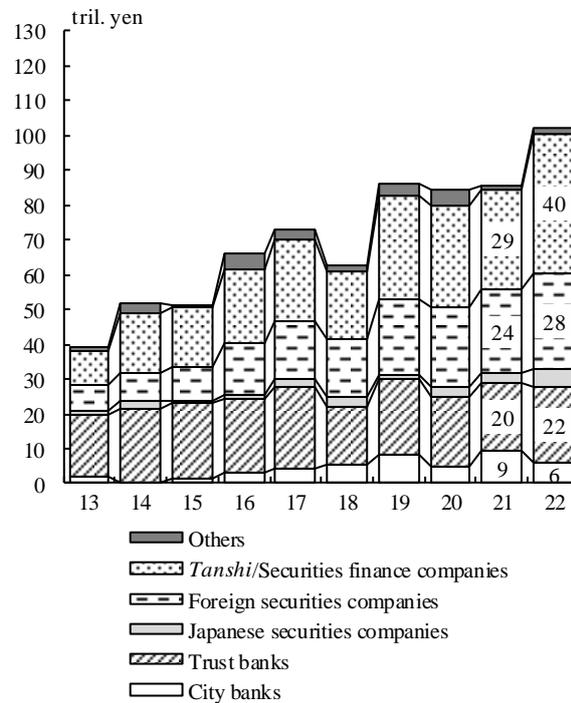
On the cash lending side, bond borrowing by *tanshi* companies and foreign securities companies increased. It was pointed out that non-residents' demand for bonds had increased due to the depreciation of the yen and the widening of U.S. dollar/yen basis.

Amount Outstanding in the GC Repo Market by Investor Type

Cash Borrowing (Bond Lending) Side



Cash Lending (Bond Borrowing) Side



³ In this paper, the market for securities repurchase (*gensaki*) transactions and cash-collateralized securities lending (*gentan*) transactions is called the "repo market."

⁴ These are repo transactions in which the securities to be used as collateral are not specified.

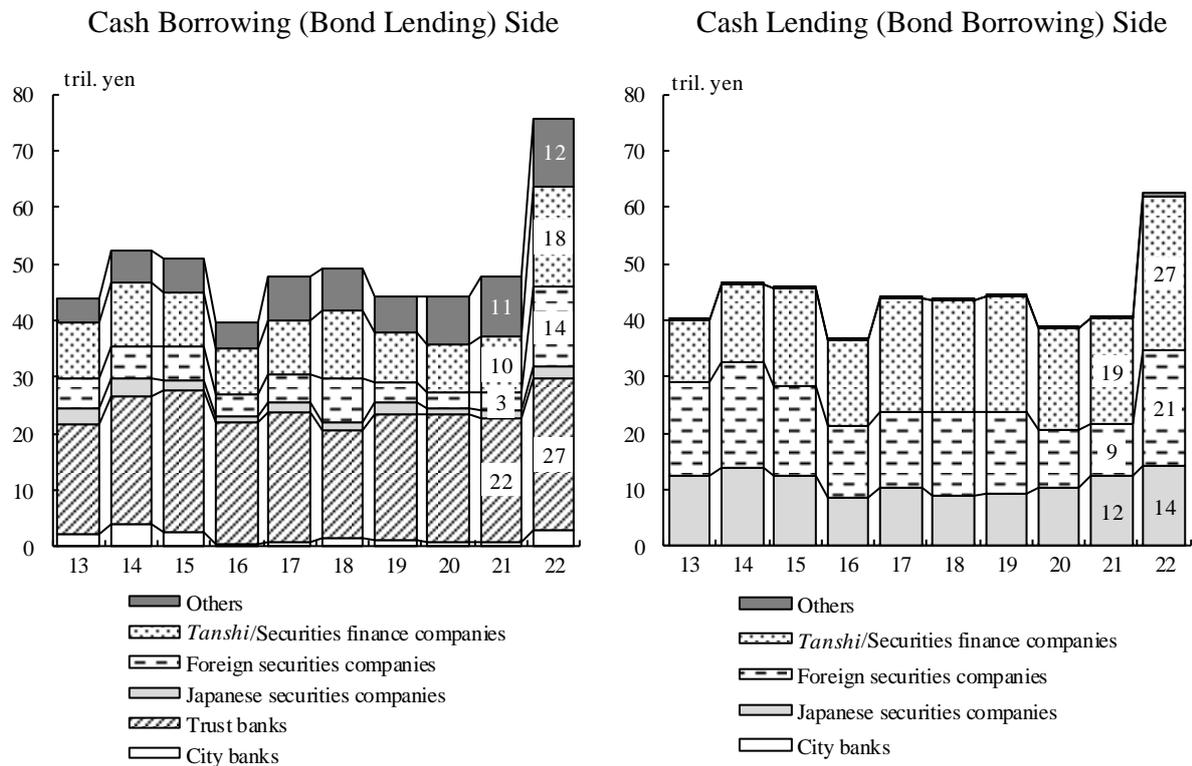
2. SC Repo Transactions Increased from the Previous Year

The amount outstanding of special collateral (SC) repos⁵ increased from the previous year.

On the cash borrowing side, bond lending from *tanshi* companies, foreign securities companies, and some city banks to non-residents, foreign securities companies, and Japanese securities companies increased. In addition, some trust banks increased the arbitrage trading by lending bonds via SC repos while lending cash using GC repos.

On the cash lending side, bond borrowing by *tanshi* companies, foreign securities companies, and Japanese securities companies increased. These institutions pointed out that there was an increase in demand to borrow bonds via SC repos on the back of an expansion of short positions of non-residents, some foreign securities companies, and some Japanese securities companies.

Amount Outstanding in the SC Repo Market by Investor Type



⁵ These are repo transactions in which the securities to be used as collateral are specified.

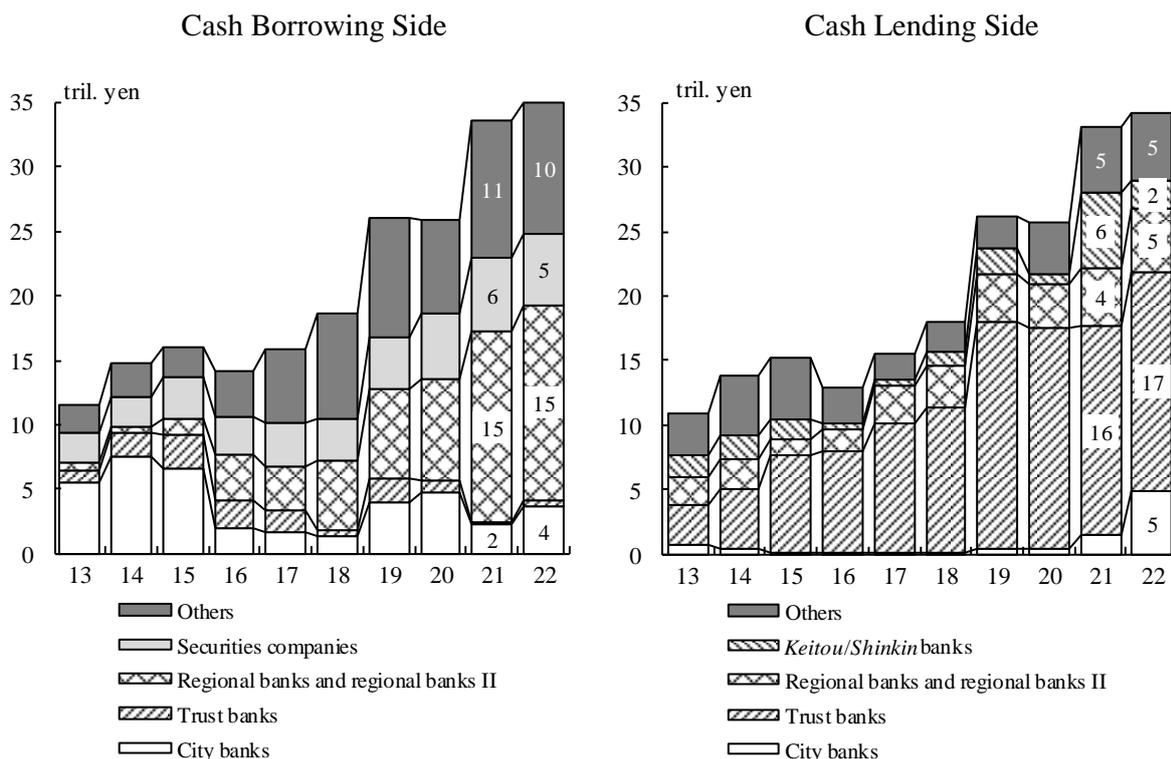
3. Uncollateralized Call Transactions Remained Unchanged from the Previous Year

The amount outstanding of transactions in the uncollateralized call market remained generally unchanged from the previous year.

On the cash borrowing side, while cash borrowing by securities companies decreased, some city banks pointed out that they had increased their cash borrowing mainly due to an increase in the unused allowances of macro add-on balances after the Benchmark Ratio applied to financial institutions' current account balances at the Bank was raised.

On the cash lending side, while *keitou/shinkin* banks reduced their cash lending, some city banks mentioned that they had increased their cash lending by extending their credit line to avoid having policy-rate balances in their current account balances at the Bank.

Amount Outstanding in the Uncollateralized Call Market by Investor Type

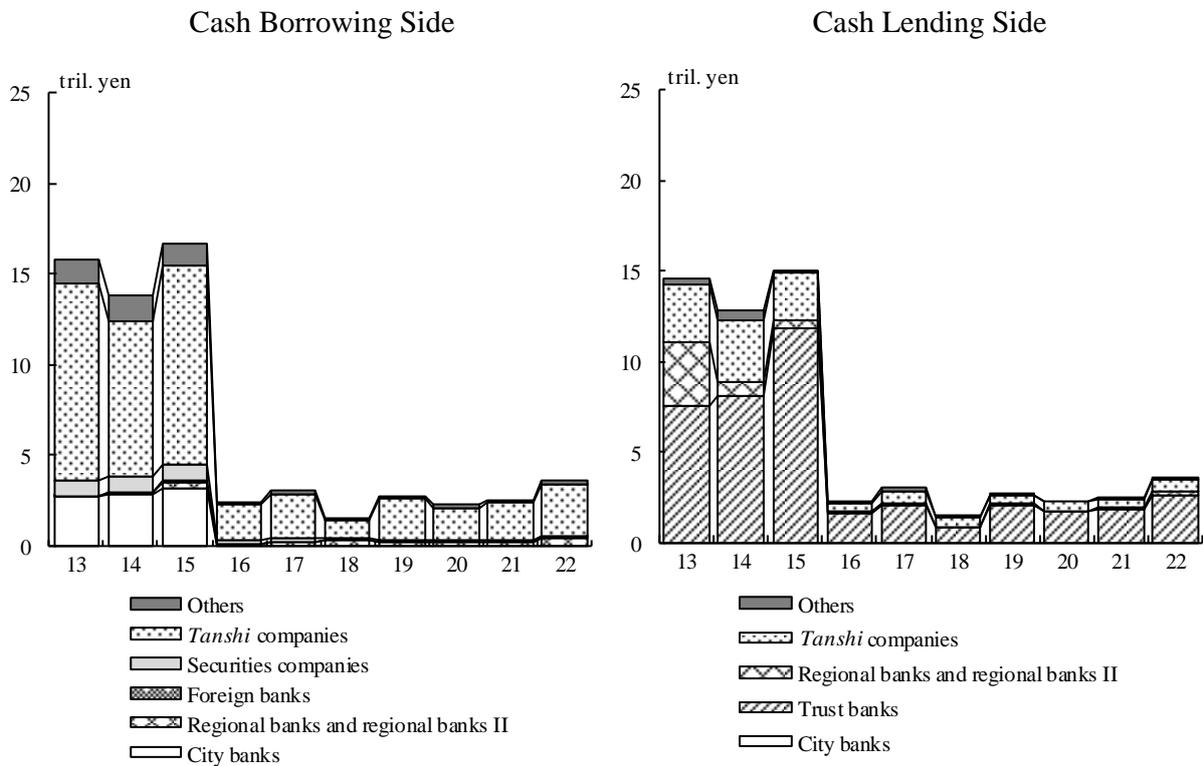


4. Collateralized Call Transactions Remained at Low Levels

The amount outstanding of transactions in the collateralized call market has continued to be at a significantly low level since the introduction of the negative interest rate policy.

It was pointed out that transactions have continued to be at low levels as there have not been major changes in the stance of trust banks, which are the main cash lenders.

Amount Outstanding in the Collateralized Call Market by Investor Type



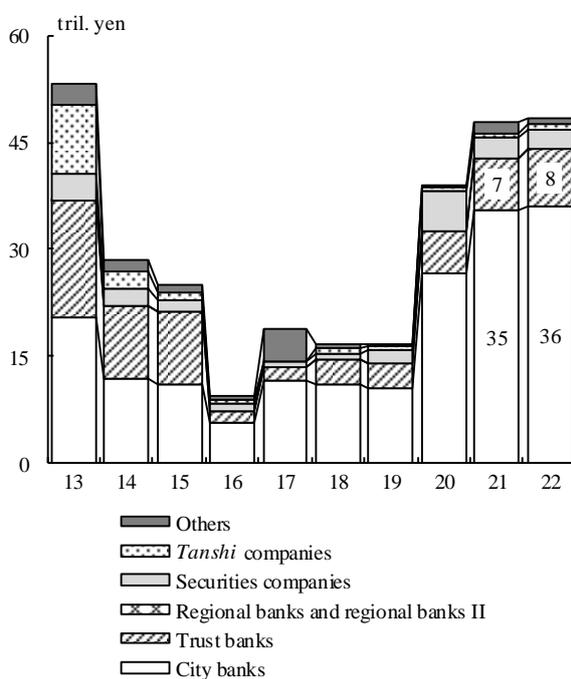
5. Investment in T-Bills Remained Unchanged, while Investment in CP Increased from the Previous Year

The amount outstanding of investment in T-Bills remained generally unchanged from the previous year, while the amount outstanding of investment in CP increased from the previous year.

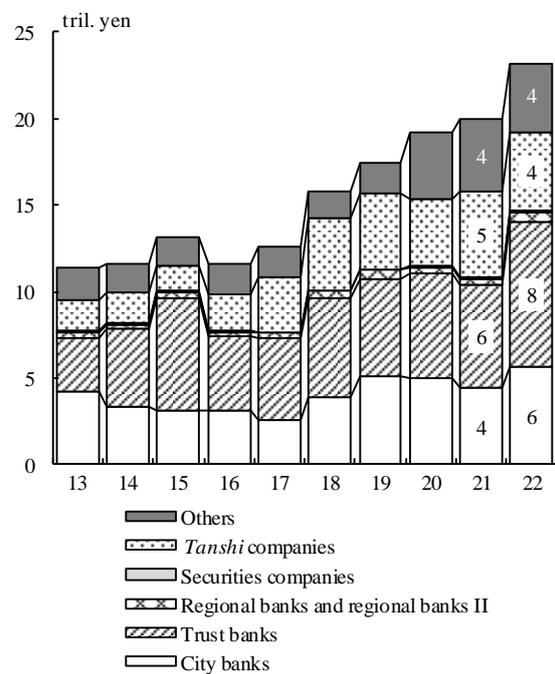
Regarding the investment in T-Bills, although demand for the purpose of obtaining collateral for the Special Operations in Response to COVID-19 decreased, demand for T-Bills by city banks continued to be seen for other collateral purposes and for cash lending purposes.

Regarding the investment in CP, it was pointed out that the demand from city banks and trust banks in particular had increased, due to an increase in the amount of issuance of CP reflecting an expansion in firms' cash borrowing need.

Amount Outstanding of Investment in T-Bills



Amount Outstanding of Investment in CP

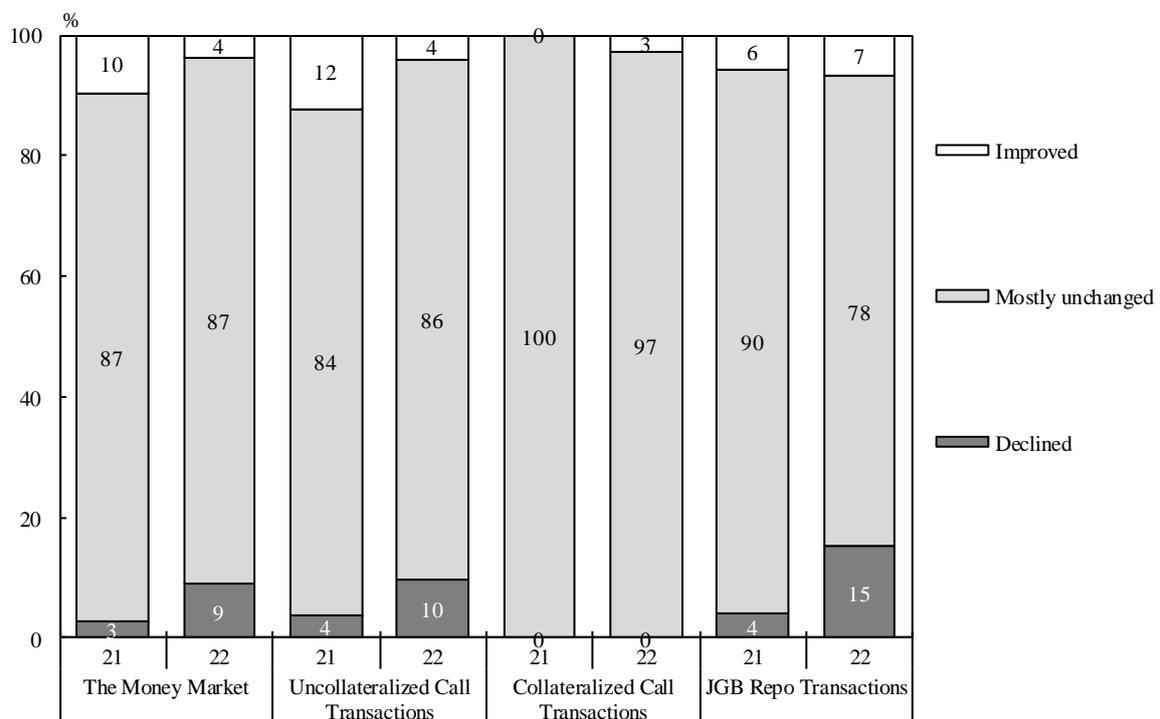


6. Perceptions of Market Participants on the Functioning of the Money Market

With respect to the functioning of the money market, nearly 90 percent of all respondents answered that it remained "mostly unchanged" from the previous year. However, the share of respondents who answered that it had "improved" (4 percent) decreased somewhat, whereas the share of respondents who answered that it had "declined" (9 percent) increased somewhat, compared to the previous survey.

By type of transaction, regarding the JGB repo transactions, the share of respondents who answered that the functioning had "declined" increased from the previous year, due to a decline in liquidity of the JGB market after the middle of June 2022. As for the uncollateralized call transactions, although the share of respondents who answered that the functioning had "declined" increased somewhat from the previous year, nearly 90 percent of all respondents answered that they remained "mostly unchanged." As for the collateralized call transactions, almost all respondents answered that the functioning remained "mostly unchanged."

Perceptions of Market Participants on the Functioning of the Money Market⁶



⁶ For "The Money Market," responses were obtained only from those that were engaged in some kind of contracts for call transactions or JGB repo transactions. For "Uncollateralized Call Transactions," "Collateralized Call Transactions," and "JGB Repo Transactions," responses were obtained only from those that were engaged in uncollateralized call transactions, collateralized call transactions, and contracts for JGB repo transactions, respectively.

[BOX 1] Usage of JPY Interest Rate Benchmarks for Derivative Transactions after the Cessation of JPY LIBOR

This box provides the results of a survey on the usage of Japanese yen (JPY) interest rate benchmarks for derivative transactions after the cessation of JPY LIBOR at the end of 2021 as well as the issues for the future.⁷

(1) Usage of JPY Interest Rate Benchmarks in New Transactions

Among the 383 respondents of this survey, 114 respondents who engaged in new derivative transactions referencing JPY interest rate benchmarks after the beginning of 2022 were asked whether they had used JPY alternative interest rate benchmarks to replace JPY LIBOR. Approximately 90 percent of the respondents answered that they used the Tokyo Overnight Average Rate Compounding (Fixing in Arrears) (hereinafter referred to as "TONA"), approximately 50 percent indicated that they used the Tokyo Interbank Offered Rate (TIBOR), and less than 10 percent answered that they used other interest rate benchmarks including the Tokyo Term Risk Free Rate (TORF) (multiple answers were allowed; Chart 1, left panel).

TONA is used in many transactions by numerous respondents irrespective of the investor type and approximately two-thirds of the respondents indicated that they used TONA in more than 80 percent of their transactions in terms of volume (Chart 1, right panel). Some of the respondents pointed out that the transition from JPY LIBOR to TONA had progressed in 2021 under the TONA First initiative,⁸ and that the usage of JPY Overnight Index Swap (OIS) transactions, which exchange fixed interest rates with TONA, had been increasing significantly,⁹ partly in view of recent fluctuations in interest rates in Japan.

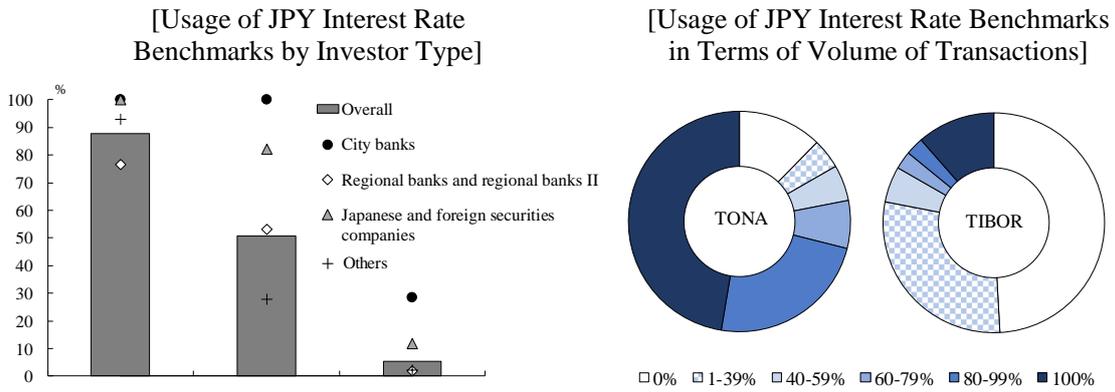
TIBOR is used by around half of the respondents that use TONA, while there are some respondents who only use TIBOR. Some of these respondents mentioned that they used TIBOR in transactions of loans combined with derivatives (swaps).

⁷ For details on the cessation of JPY LIBOR and matters related to the transition, see "Review of JPY LIBOR Transition and Future Initiatives" (May 2022) by the Bank of Japan and the Financial Services Agency.

⁸ For details on the TONA First initiative, see "Preparations for the discontinuation of LIBOR in the JPY interest rate swaps market" (March 2021) and "Transition of Quoting Conventions in the JPY interest rate swaps market ("TONA First")" (July 2021) by the Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks.

⁹ See Chart 22 on page 31.

(Chart 1) Usage of JPY Interest Rate Benchmarks in New Transactions

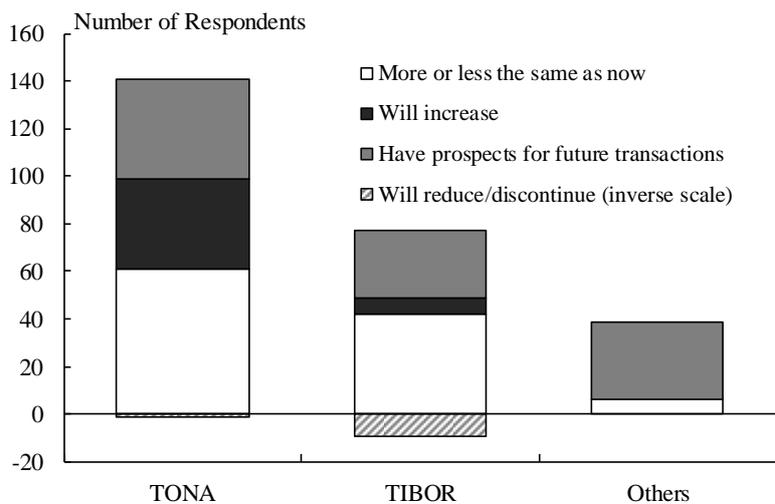


Note: Responses were obtained from 114 respondents who have engaged in new derivative transactions after the beginning of 2022. The left panel is based on the number of respondents, and the right panel is based on the notional amounts outstanding.

(2) Outlook for the Usage of JPY Interest Rate Benchmarks and Issues in Increasing and Starting Transactions

When all the respondents of this survey were asked about an outlook for the usage of JPY interest rate benchmarks in derivative transactions, many indicated that they would use TONA and TIBOR. The usage of TONA is expected to grow, as many responded that they planned to either increase the number of transactions referencing TONA compared to their current level or begin conducting transactions referencing TONA in the future. As for TIBOR, a certain amount of usage is expected to continue (Chart 2).

(Chart 2) Outlook for the Usage of JPY Interest Rate Benchmarks



Note: Responses were obtained from all the respondents of the survey (383 respondents).

As for the issues in increasing and starting derivative transactions referencing JPY interest rate benchmarks, approximately 60 percent of the respondents answered that there were no particular issues. On the other hand, some respondents pointed to issues that individual parties are expected to work on, such as upgrading their IT systems in view of an increase in the number of TONA-referencing transactions and improving operational rules and procedures (Chart 3).

(Chart 3) Issues regarding the Usage of JPY Interest Rate Benchmarks in Derivative Transactions



Note: Responses were obtained from all the respondents of the survey (383 respondents). Multiple answers were allowed.

[BOX 2] Stance on the Management of Current Accounts at the Bank

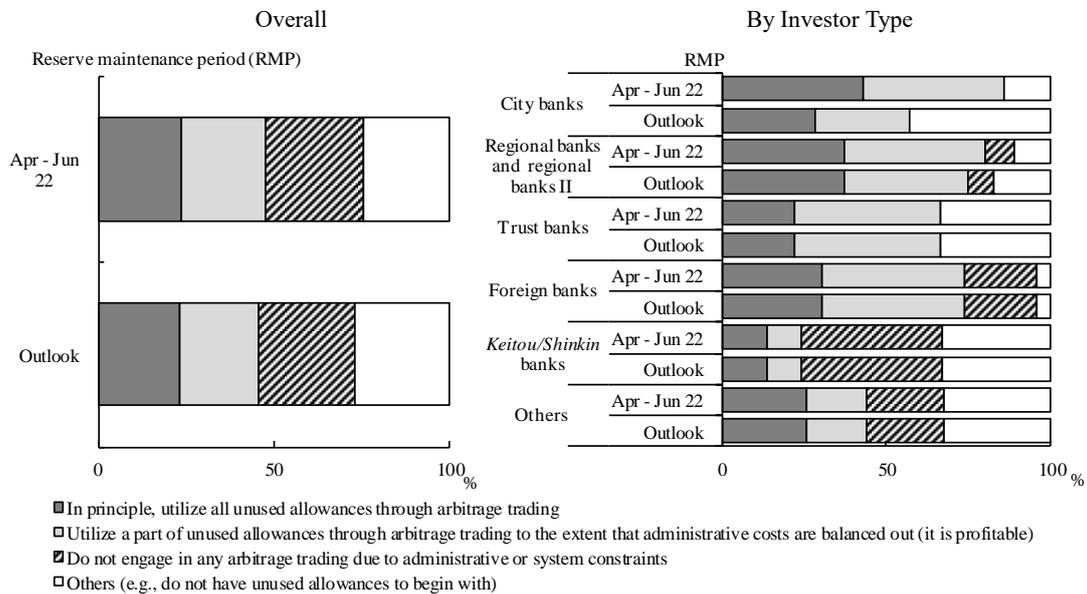
This box summarizes the results of the stance on the management of current accounts at the Bank, taking into account the impact of a decrease in the amount outstanding of the Special Operations in Response to COVID-19. Continuing from the previous 2021 survey, entities that have current accounts at the Bank were surveyed.

First, on the arbitrage trading that took advantage of the current accounts at the Bank, (1) approximately 50 percent of the respondents answered that they conducted arbitrage trading with regard to the unused allowances in basic balances and/or macro add-on balances, and (2) approximately 40 percent answered that they conducted arbitrage trading with regard to the policy-rate balances (Charts 1 and 2). These results are similar to that of the previous survey,¹⁰ and it suggests that regional banks continued to borrow cash, even with a decline in unused allowances in macro add-on balances affected by the decrease in the amount outstanding of the Special Operations in Response to COVID-19, while a wide range of investors continued to lend cash.

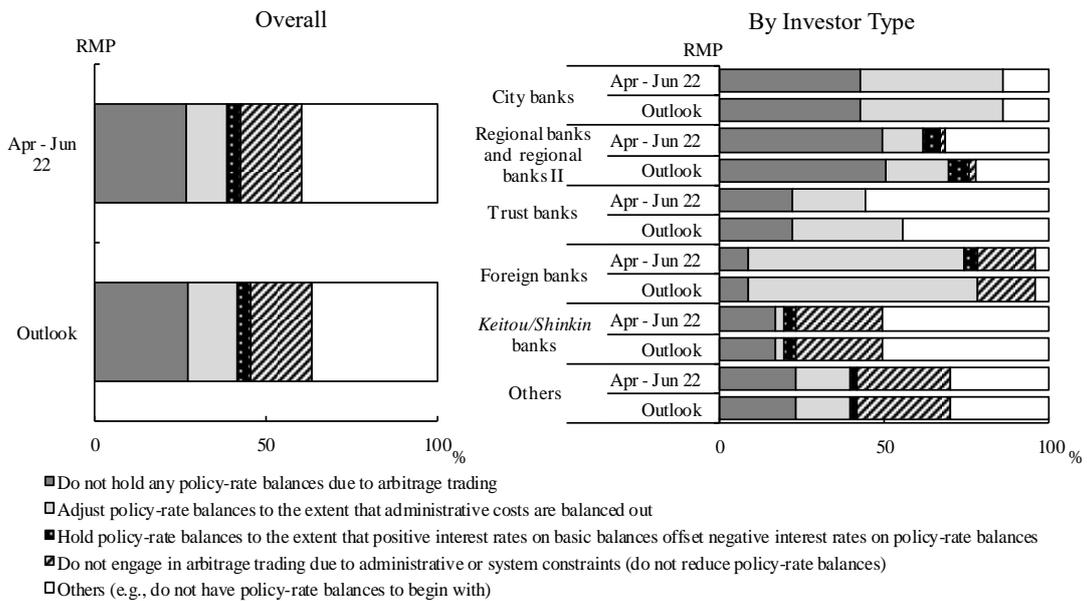
Second, among the respondents who answered that they conducted arbitrage trading, (1) around half of the respondents with unused allowances in basic balances and/or macro add-on balances and (2) around one-third of the respondents with policy-rate balances responded that they "engaged in arbitrage trading to the extent that administrative costs were balanced out." Furthermore, when asked about the size of the spread that balances out administrative costs (the spread between the rate on arbitrage trading and the interest rate applied according to their current account balances), the share of respondents who answered "around 0.0 bps to 2.5 bps" increased somewhat for both (1) basic balances and/or macro add-on balances and (2) policy-rate balances, compared to the previous survey (Chart 3). This suggests a slightly increasing trend of financial institutions to either use their unused allowances in the macro add-on balances or reduce the policy-rate balances even if profit margins are small.

¹⁰ For details on the previous survey, see BOX 2 of "Trends in the Money Market in Japan – Results of the Tokyo Money Market Survey (August 2021) –" (<https://www.boj.or.jp/en/paym/market/market2112.htm>).

(Chart 1) Stance on Unused Allowances in Basic Balances and/or Macro Add-on Balances



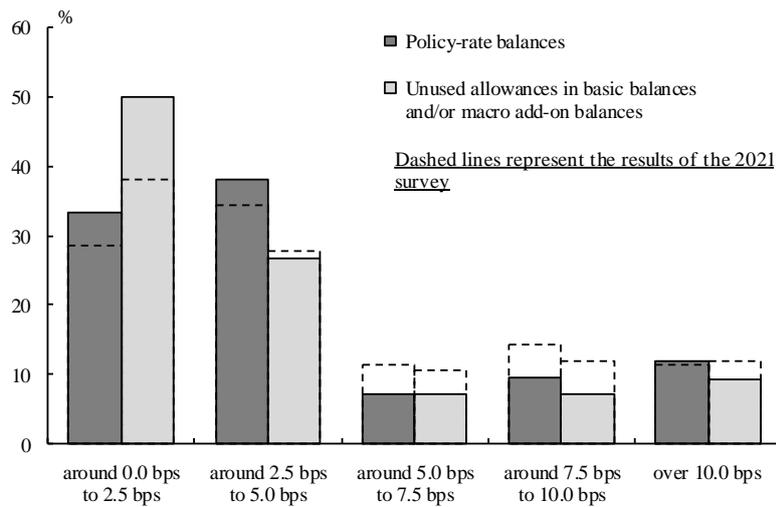
(Chart 2) Stance on Policy-Rate Balances



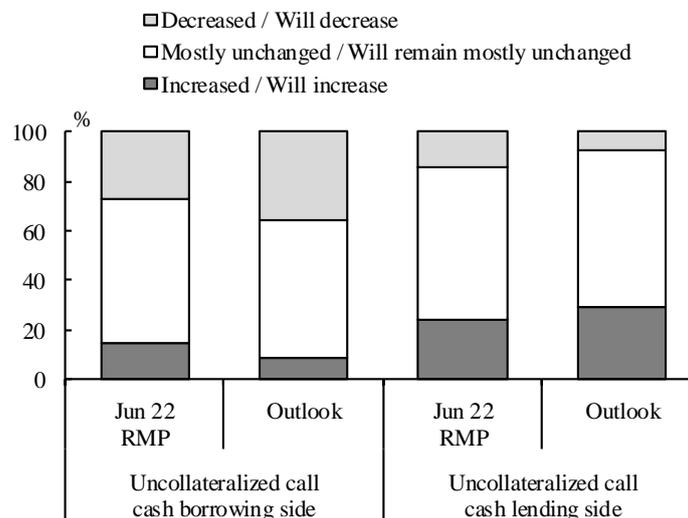
With respect to the outlook for the stance (in the reserve maintenance periods from October 2022 to March 2023) on arbitrage trading, financial institutions were not expecting major changes to their stance. In particular, the shares of respondents who selected (1) "Others (e.g., do not have unused allowances to begin with)" for the unused allowances in basic balances and/or macro add-on balances and (2) "conduct arbitrage trading" for the policy-rate balances increased somewhat. This indicates that some

regional banks have been shifting from the cash borrowing side to the cash lending side¹¹ in situations where they expected to see a decline in the unused allowances and to hold some policy-rate balances due to the amount outstanding of the Special Operations in Response to COVID-19 maturing. Reflecting this trend, the share of respondents who have answered to decrease their cash borrowing and increase their cash lending, increased in the uncollateralized call market going forward (Chart 4).

(Chart 3) Spread that Matches Administrative Costs¹²



(Chart 4) Transactions in the Uncollateralized Call Market



Note: Respondents who chose "do not engage/do not plan to engage" are excluded.

¹¹ The impact of the decision made at the Monetary Policy Meeting in September 2022 to phase out the Special Operations in Response to COVID-19 was not incorporated in this survey.

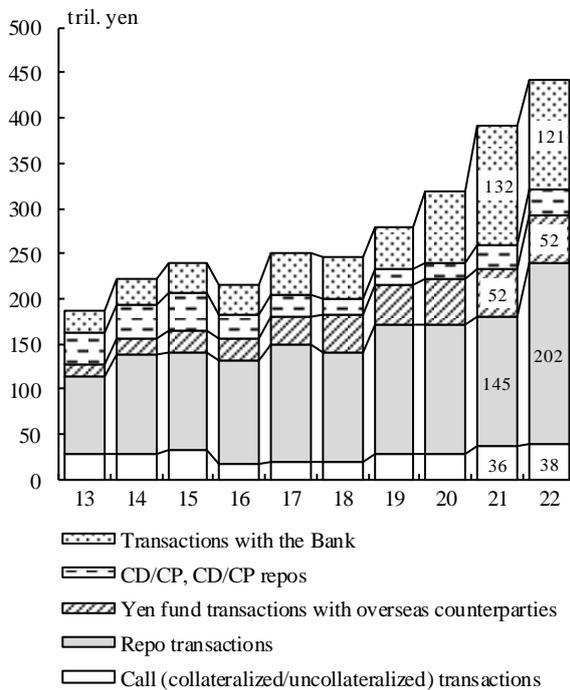
¹² In order to examine the changes from the previous survey, Chart 3 indicates responses from those who participated in both the 2021 survey and the 2022 survey.

Charts

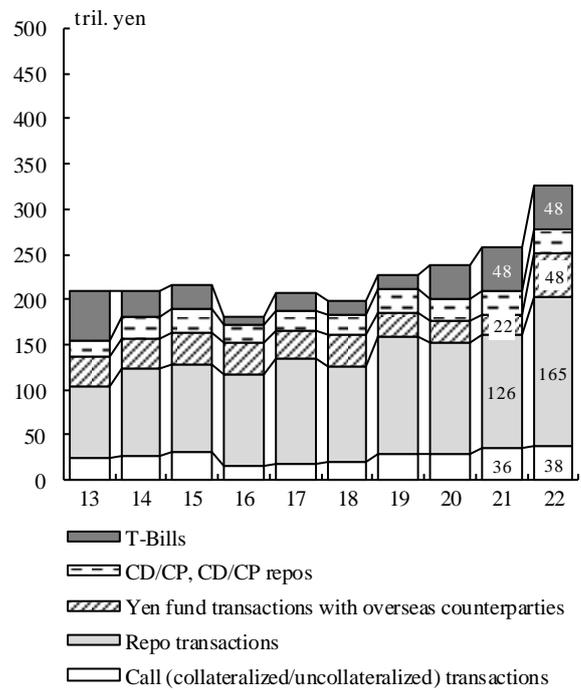
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Chart 1: Amount Outstanding in the Money Market

Cash Borrowing Side



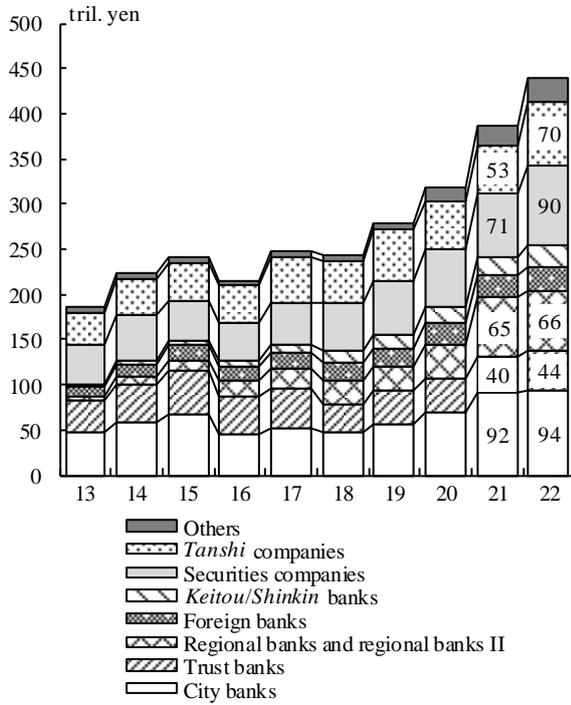
Cash Lending Side



- Notes: 1. Among call transactions, the figures for uncollateralized call transactions are calculated as total transactions through *tanshi* companies (money market brokers) and direct dealing (DD) transactions (only those made outside of the group; the same applies to the remainder of the paper unless otherwise specified).
2. Transactions with the Bank denote Funds-Supplying Operations against Pooled Collateral, Purchase/Sale of Japanese Government Securities with Repurchase Agreements, Purchases of CP with Repurchase Agreements, Funds-Supplying Operations to Support Financial Institutions in Disaster Areas, Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Funds-Supplying Operations to Support Financing for Climate Change Responses, Provisioning Measure to Support Strengthening the Foundations for Economic Growth, and Fund-Provisioning Measure to Stimulate Bank Lending and Complementary Lending.
3. The discrepancies between the figures on the cash lending side and borrowing side are due to constraints regarding the counterparties covered by this survey (e.g., non-residents are not included), and the fact that some types of transactions are recorded only on one side (e.g., transactions with the Bank are recorded only on the cash borrowing side, while treasury discount bills [T-Bills] are recorded only on the lending side).

Chart 2: Amount Outstanding in the Money Market by Investor Type

Cash Borrowing Side



Cash Lending Side

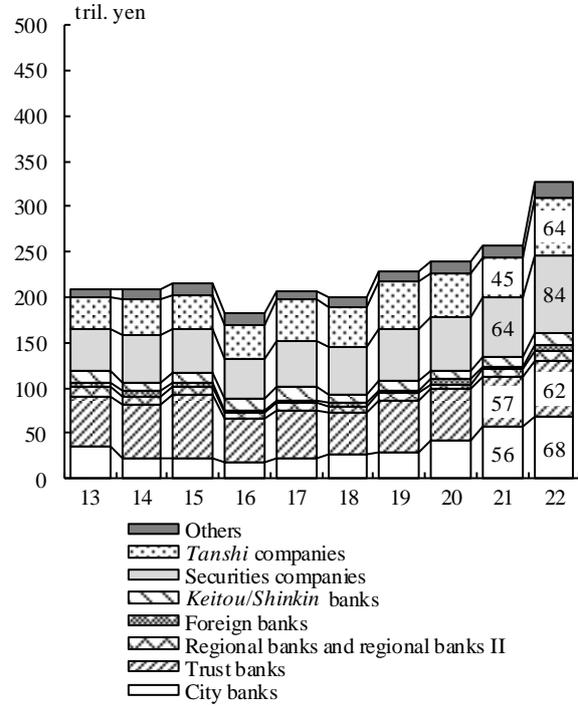
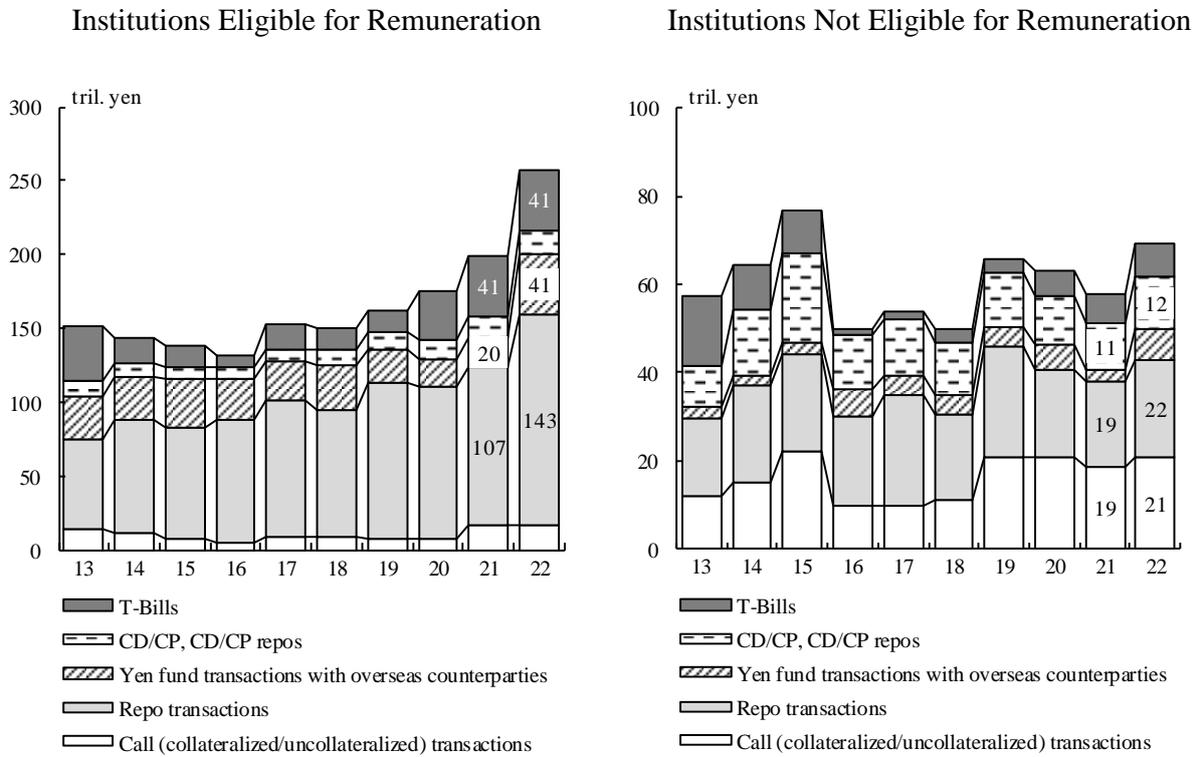
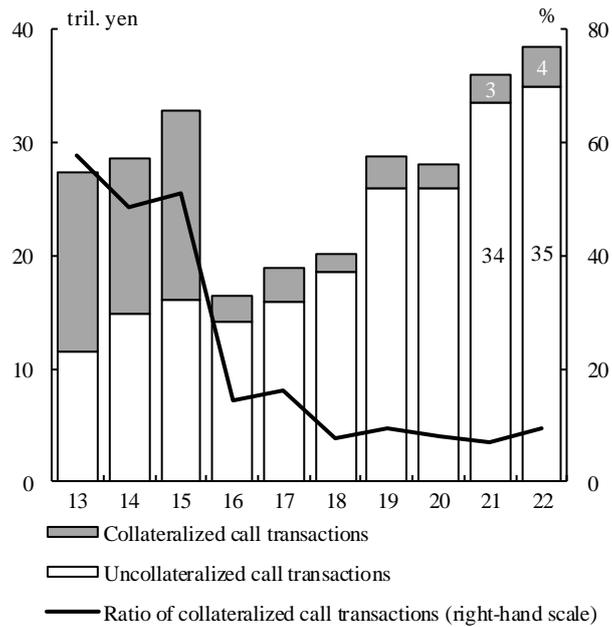


Chart 3: Amount Outstanding of Fund Lending by Institutions Eligible and Those Not Eligible for Remuneration



Note: "Institutions Eligible for Remuneration" refers to respondents eligible for the Complementary Deposit Facility. "Institutions Not Eligible for Remuneration" refers to respondents not eligible for the facility.

Chart 4: Amount Outstanding in the Call Market and the Ratio of Collateralized Transactions



Note: Cash borrowing side.

Chart 5: Amount Outstanding in the Uncollateralized Call Market by Investor Type

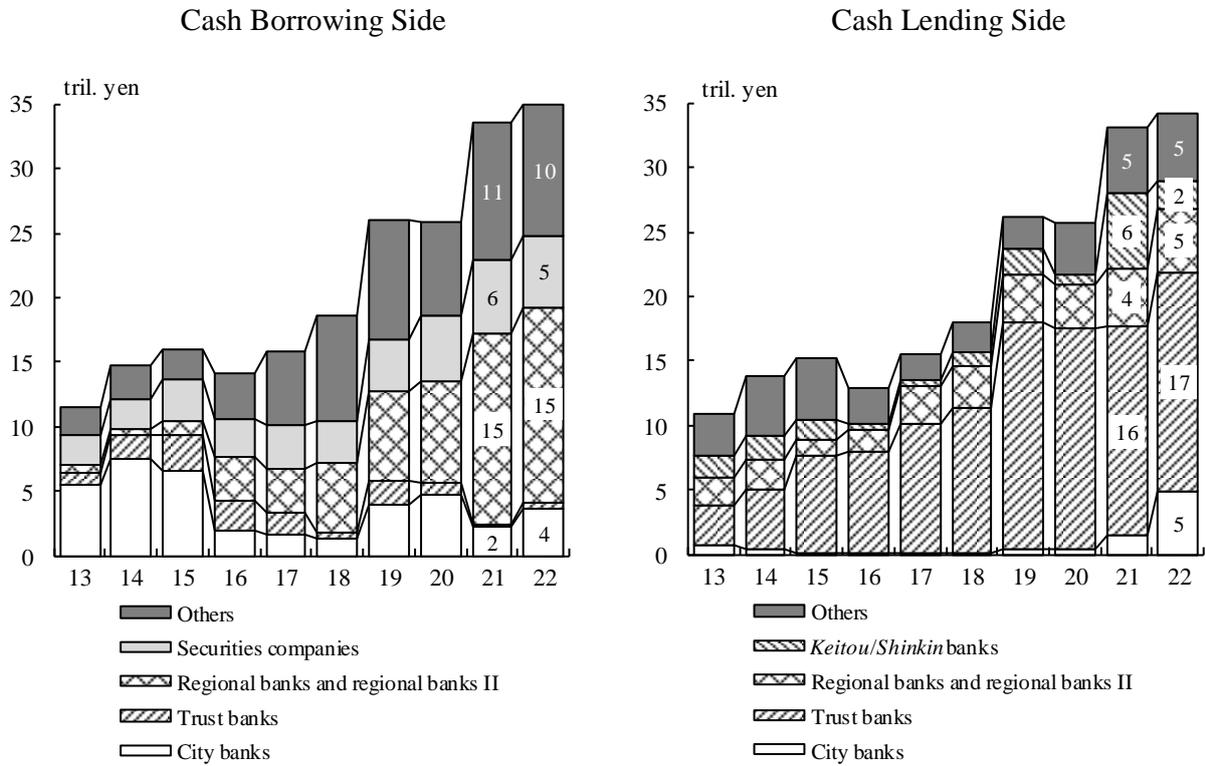
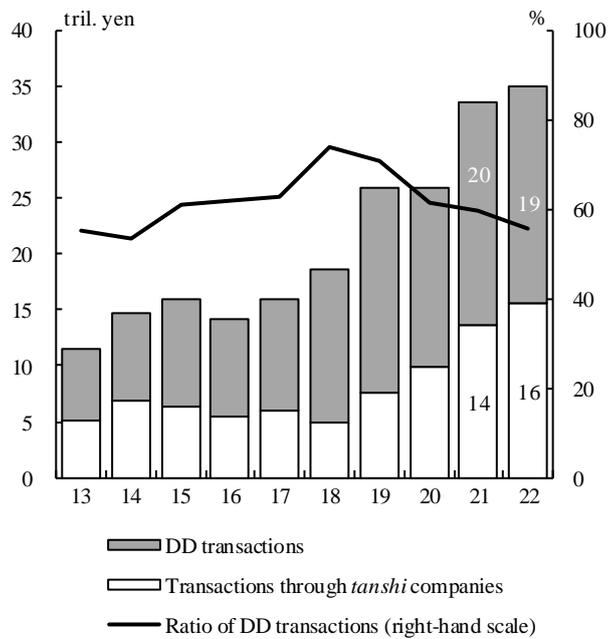
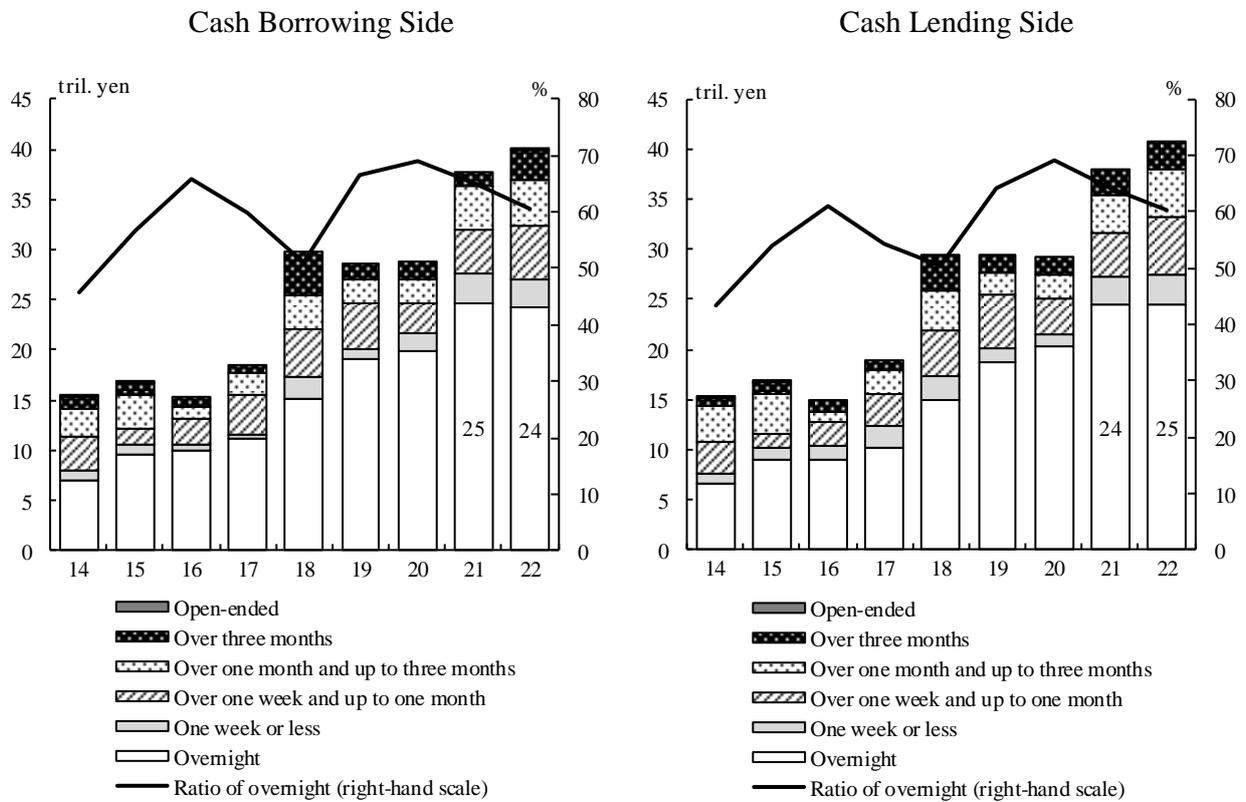


Chart 6: Amount Outstanding in the Uncollateralized Call Market and the Ratio of Non-Group Direct Dealing (DD) Transactions



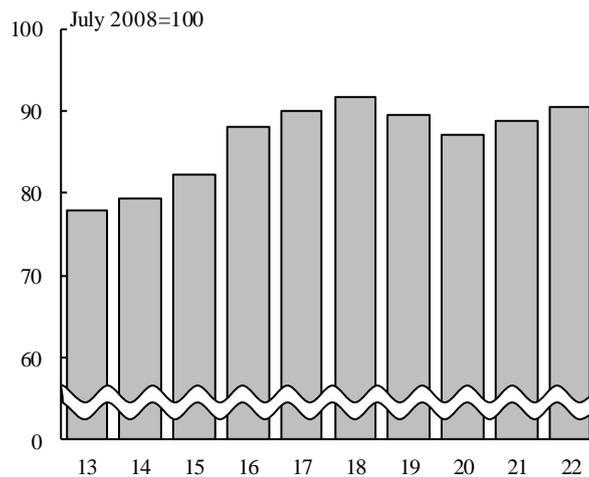
Note: Cash borrowing side.

Chart 7: Amount Outstanding in the Uncollateralized Call Market by Term



Note: Includes intra-group transactions.

Chart 8: Number of Credit Lines Established



Note: Number of respondents whose total number of credit lines established could be confirmed for all years from 2008 to 2022. Adjusted for the effects of mergers and other factors.

Chart 9: Amount Outstanding in the Collateralized Call Market by Investor Type

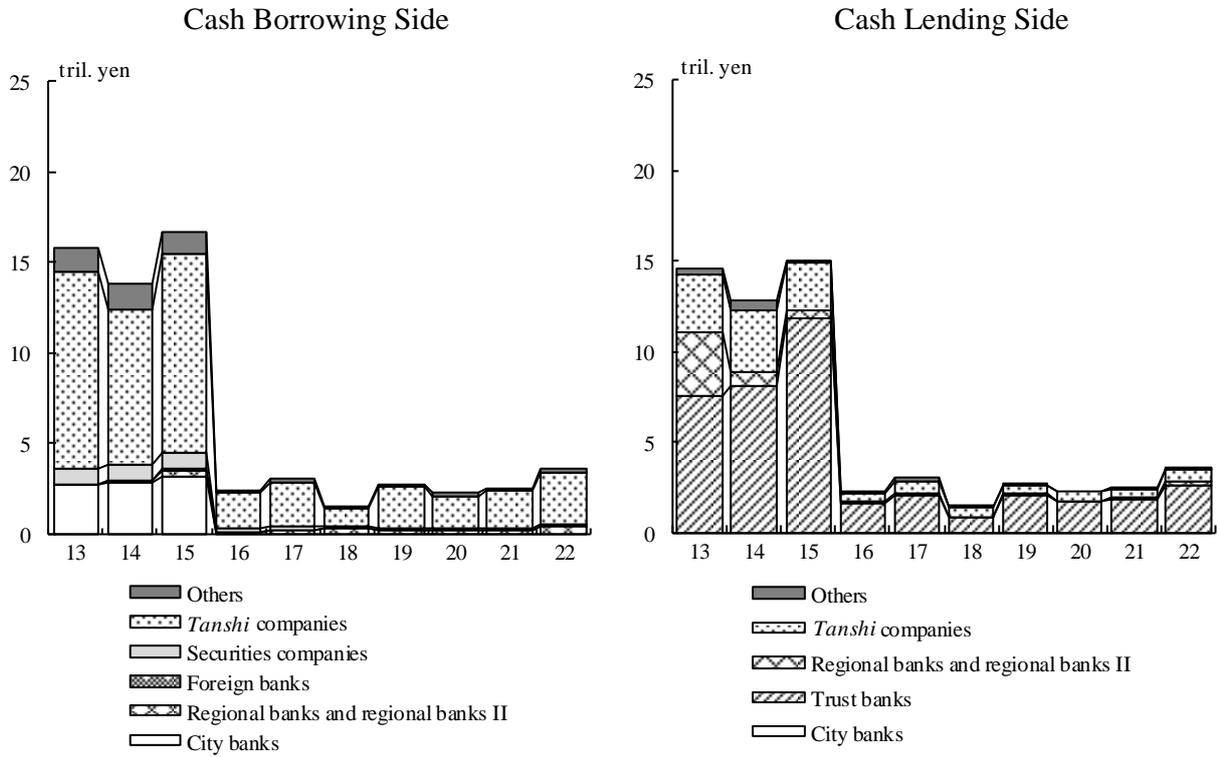


Chart 10: Amount Outstanding in the Collateralized Call Market by Term

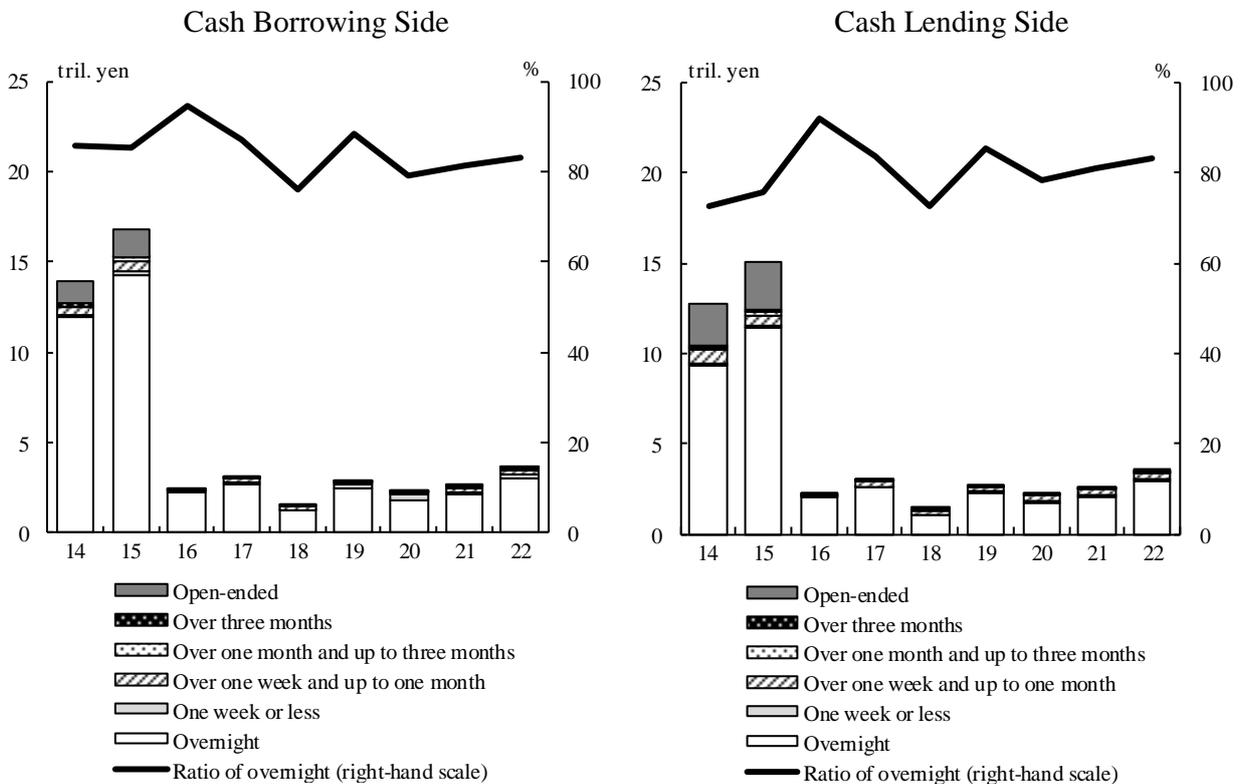
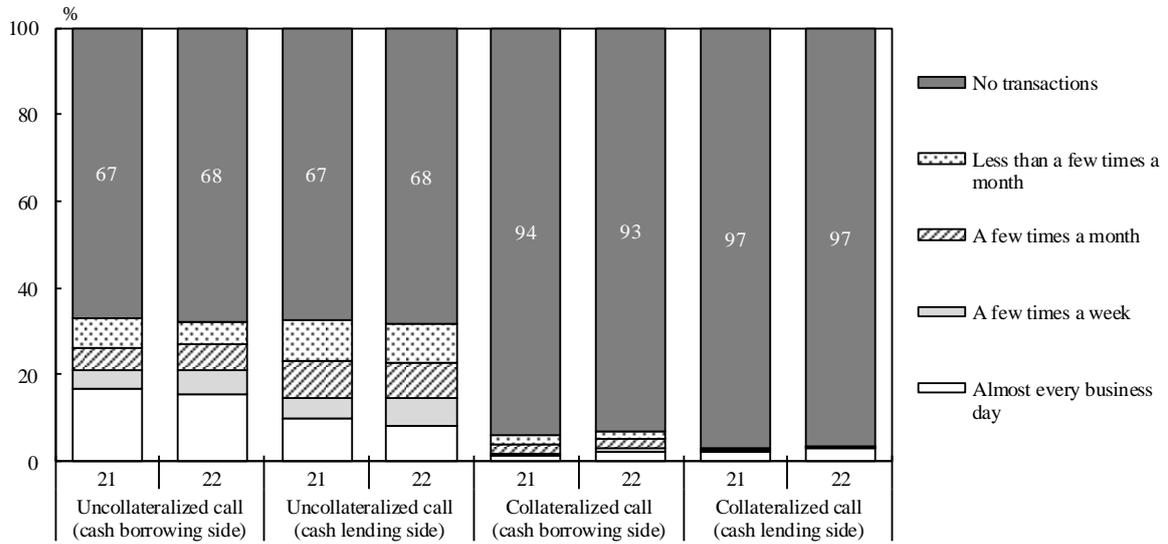
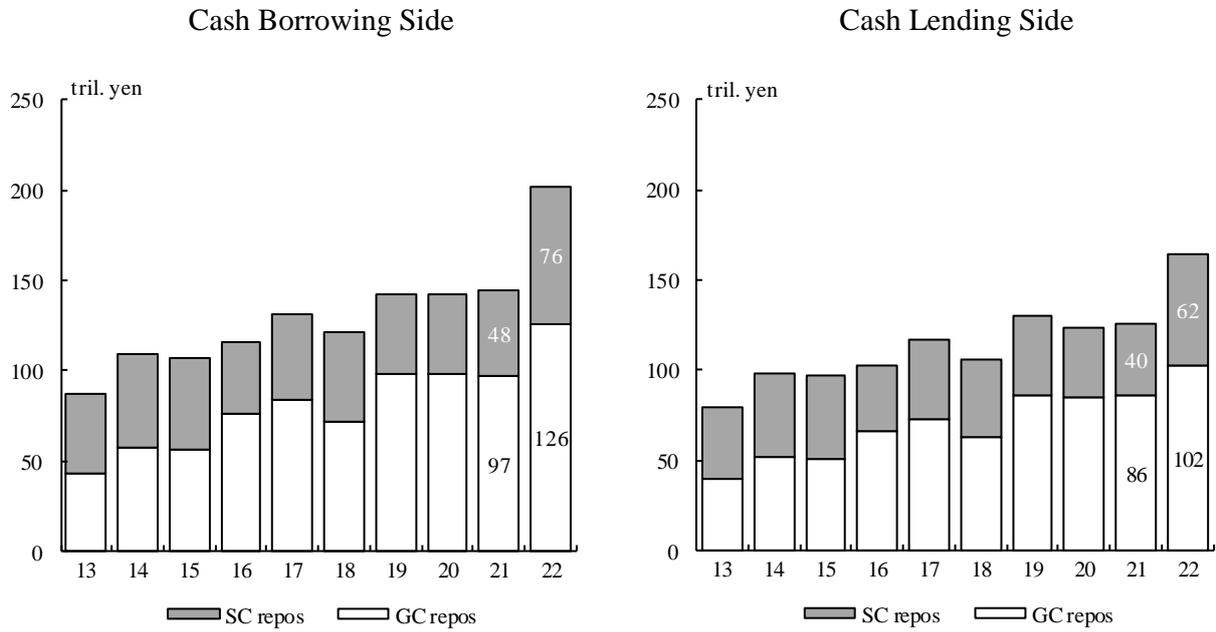


Chart 11: Frequency of Call Transactions



Note: The percentage of respondents is indicated by contract frequency for call transactions.

Chart 12: Amount Outstanding in the Repo Market
By Transaction Type



By Contract Type

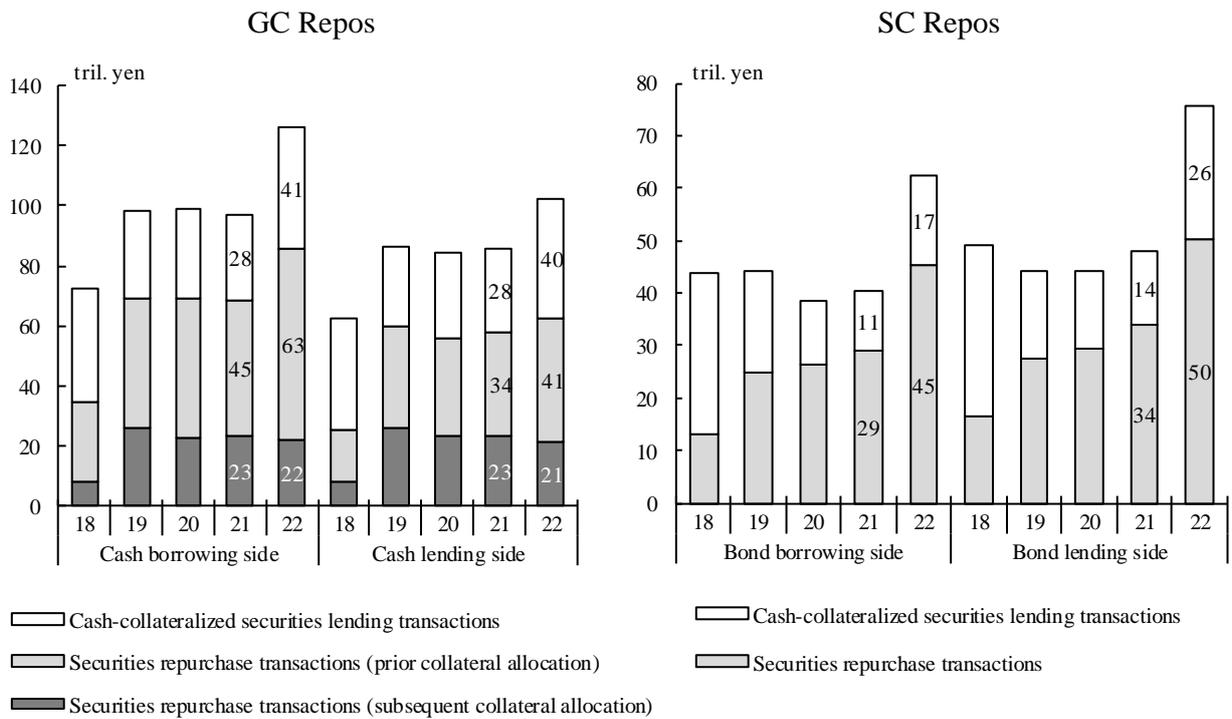
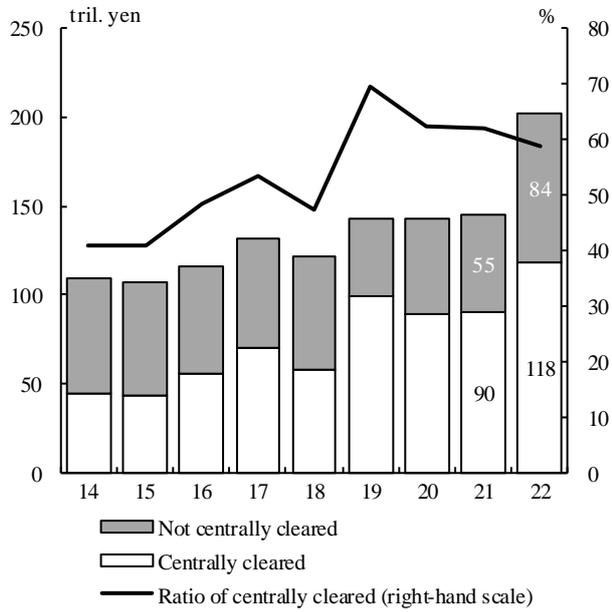
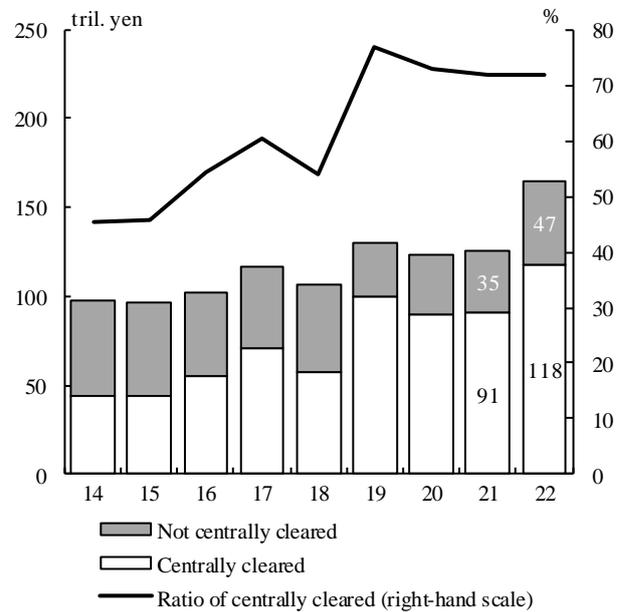


Chart 13: Amount Outstanding in the Repo Market by Settlement Type

Cash Borrowing Side



Cash Lending Side



Note: "Centrally cleared" refers to transactions cleared by Japan Securities Clearing Corporation (JSCC).

Chart 14: Amount Outstanding in the GC Repo Market by Investor Type

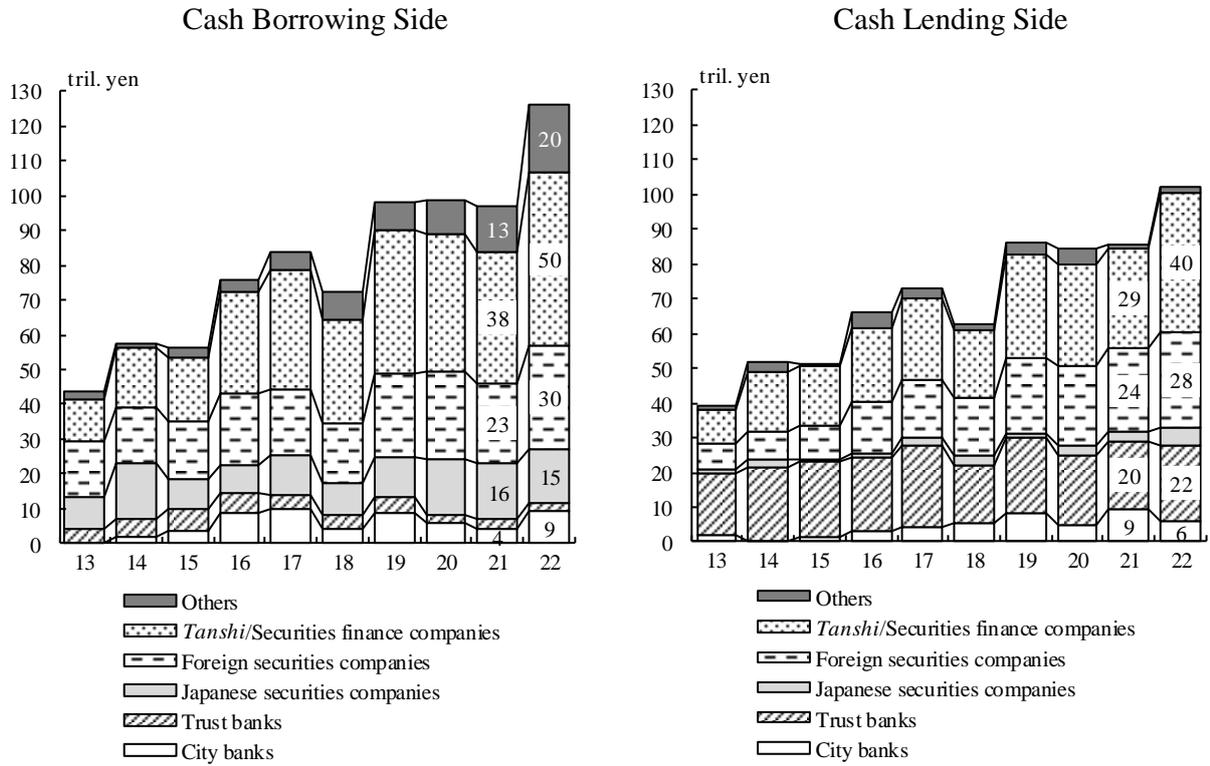


Chart 15: Amount Outstanding in the GC Repo Market by Term

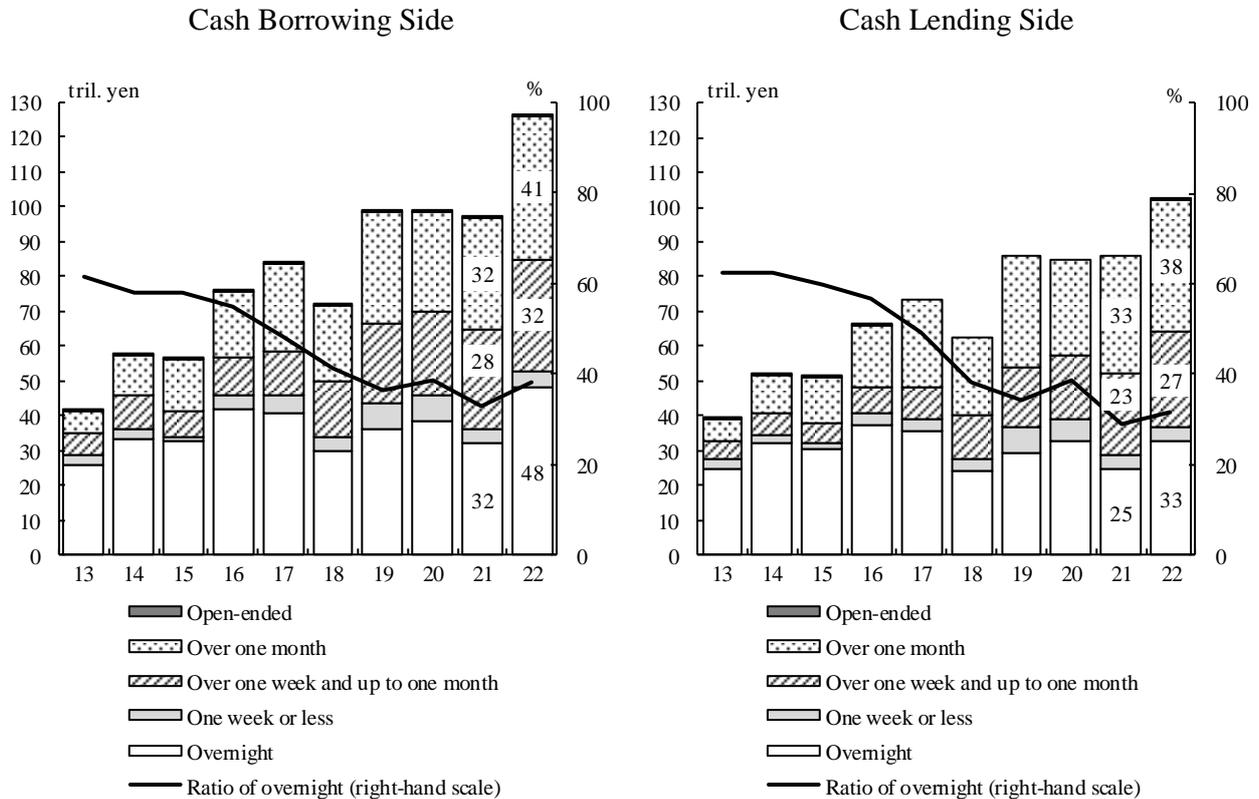
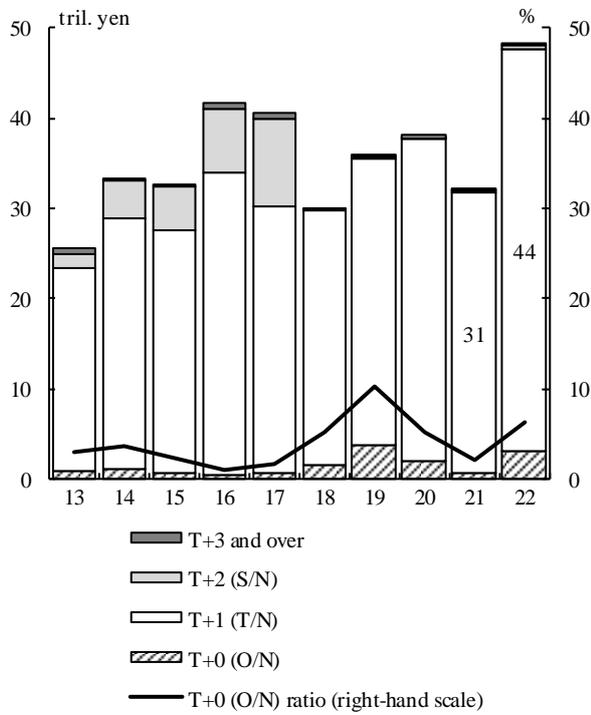
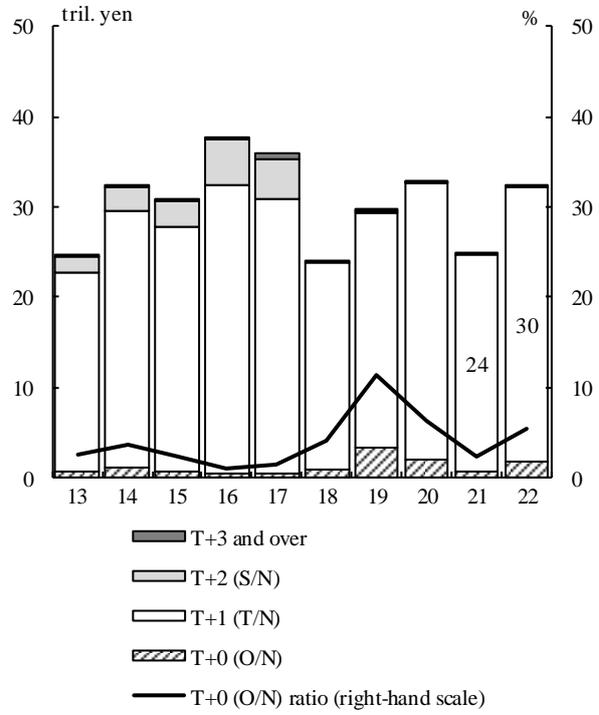


Chart 16: Amount Outstanding in the GC Repo Market by Starting Date
Overnight Transactions

Cash Borrowing Side

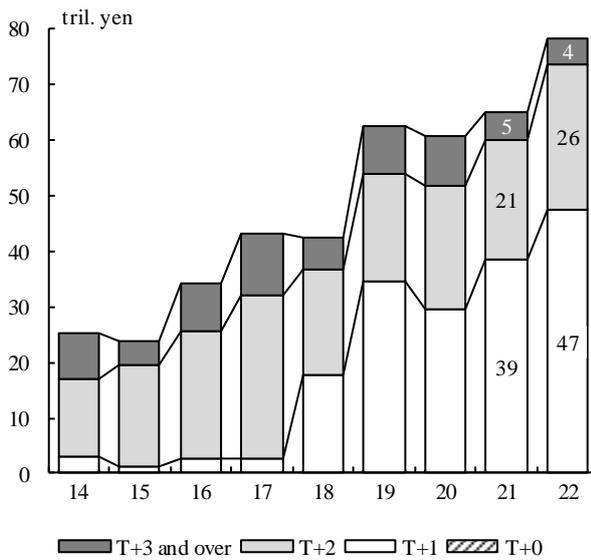


Cash Lending Side



Term Transactions

Cash Borrowing Side



Cash Lending Side

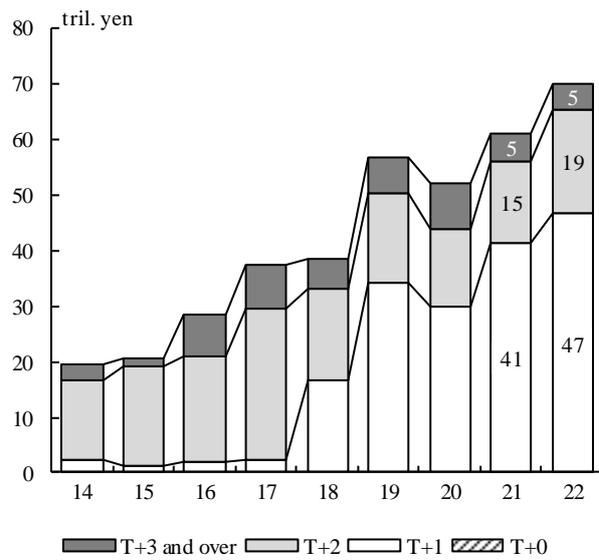


Chart 17: Amount Outstanding in the SC Repo Market by Investor Type

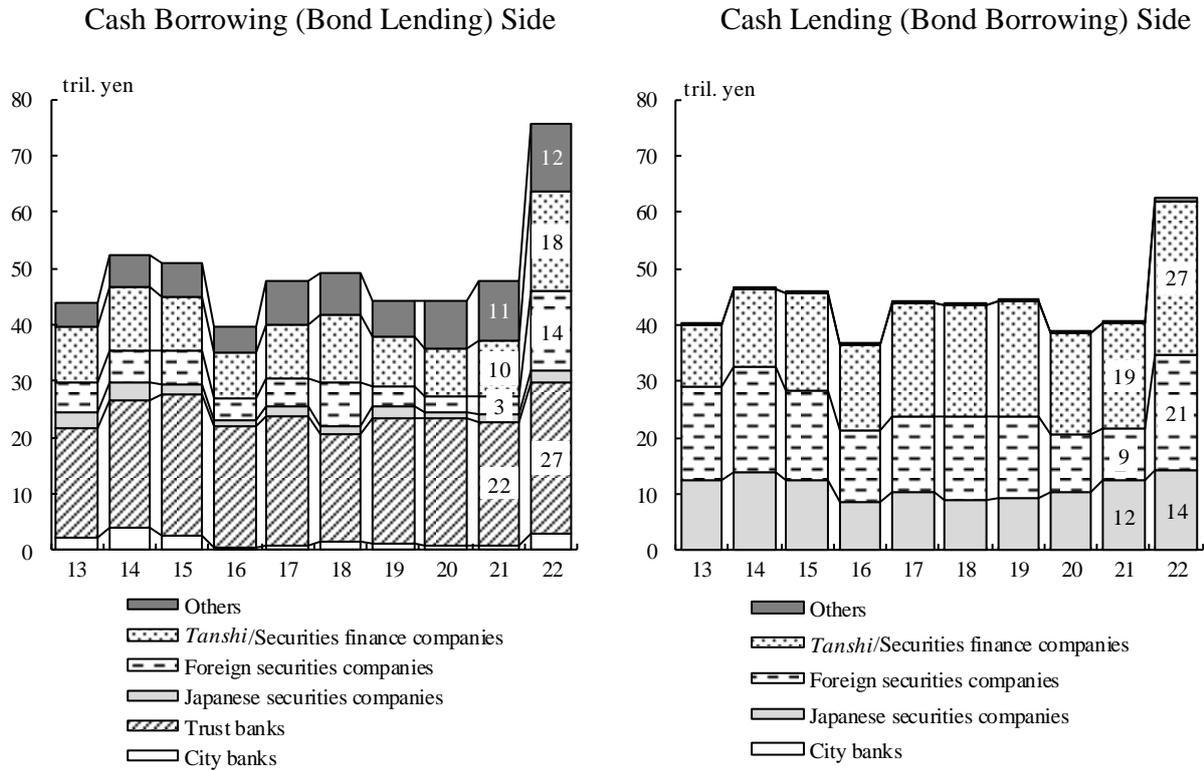
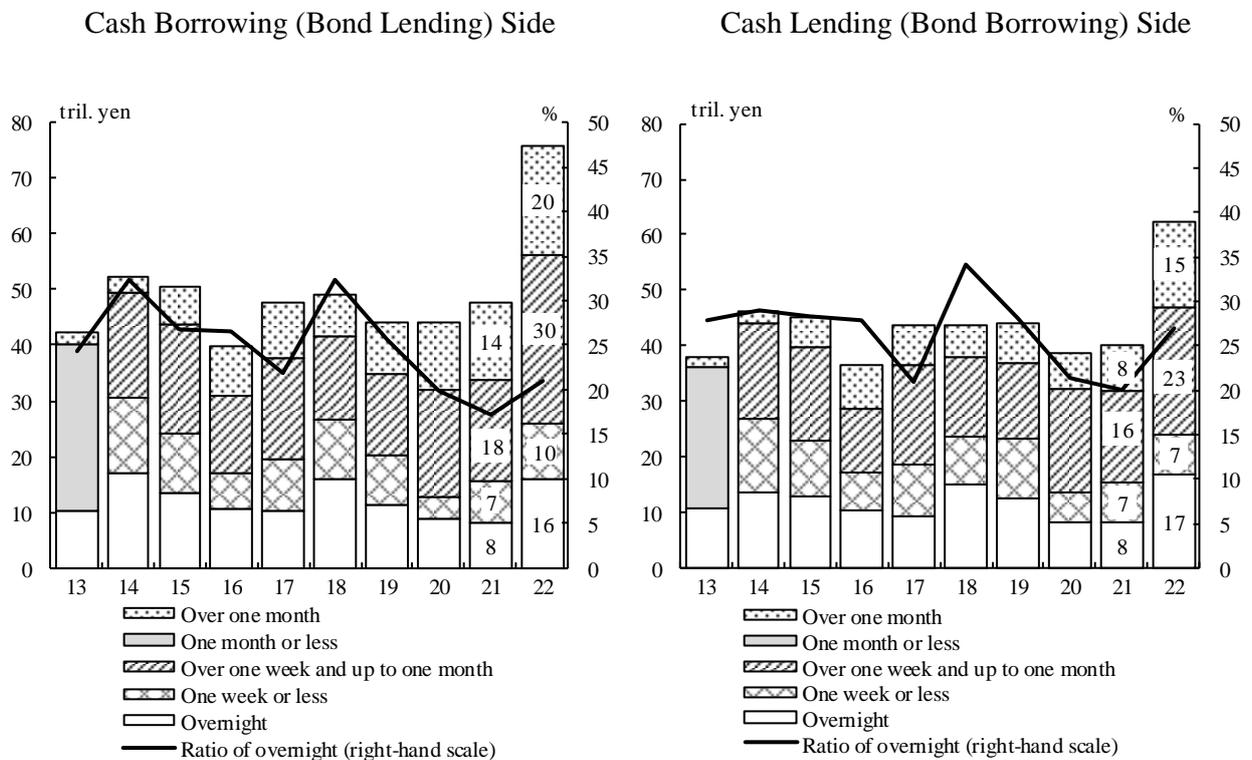
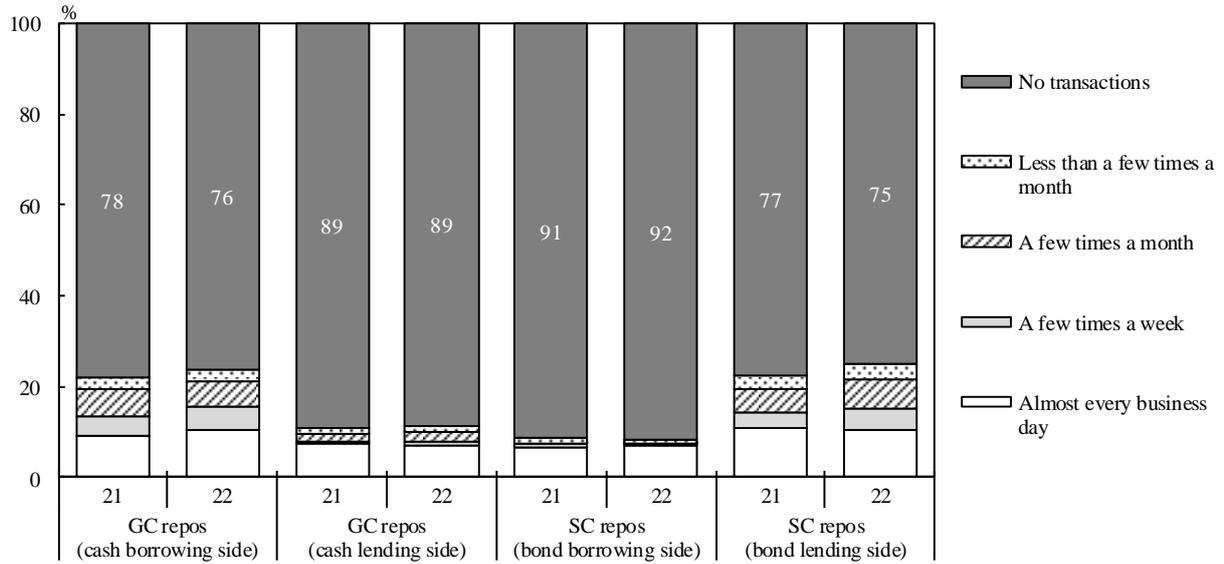


Chart 18: Amount Outstanding in the SC Repo Market by Term



Note: From the 2014 survey, "one month or less" has been subdivided into "one week or less" and "over one week and up to one month."

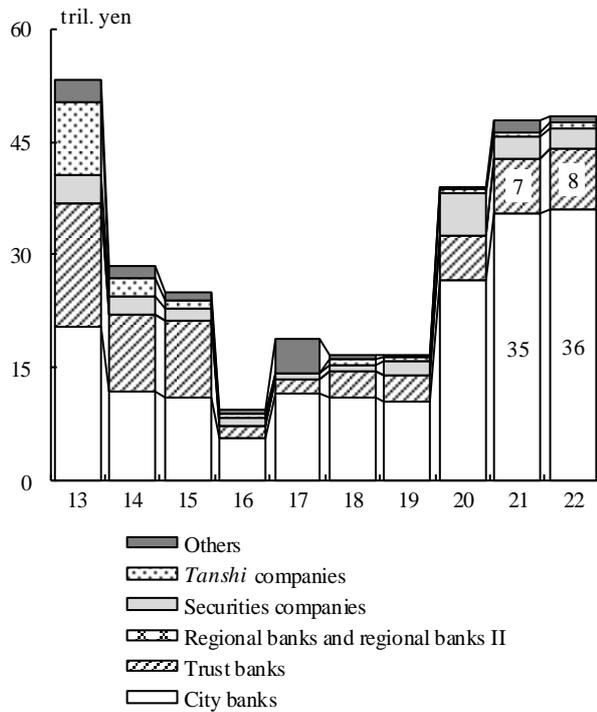
Chart 19: Frequency of Repo Transactions



Note: The percentage of respondents is indicated by contract frequency for repo transactions.

Chart 20: Amount Outstanding of Investment in T-Bills and CP

Amount Outstanding of Investment in T-Bills



Amount Outstanding of Investment in CP

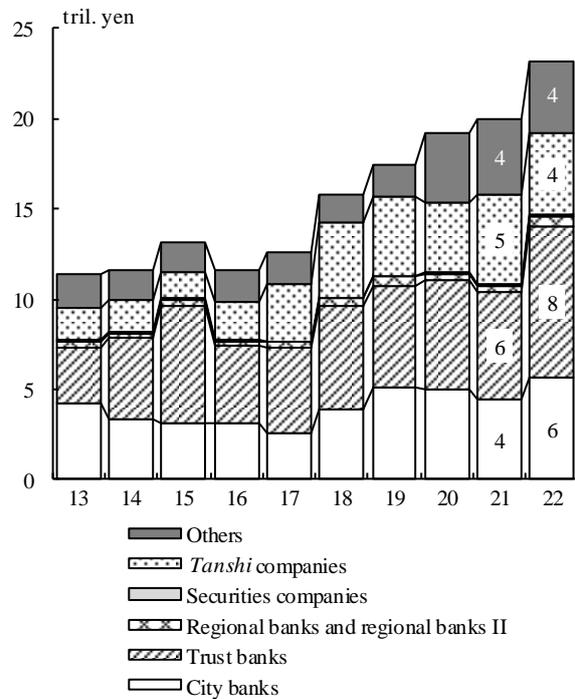
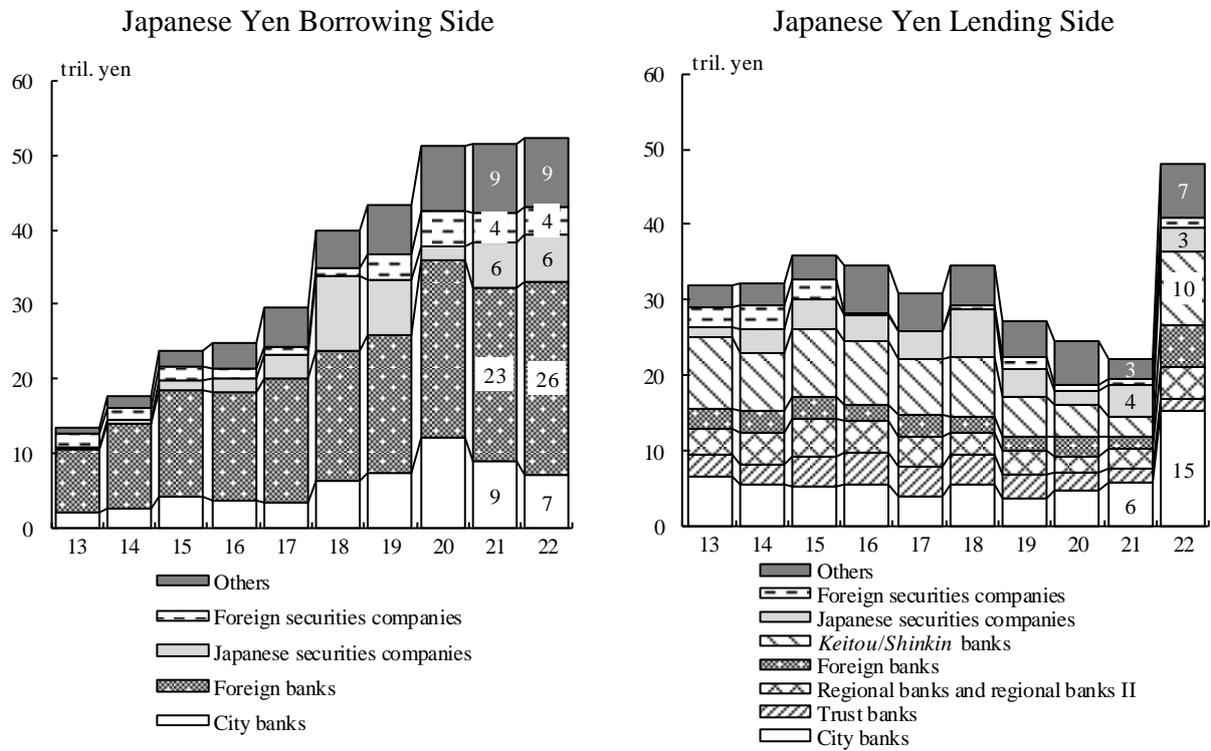
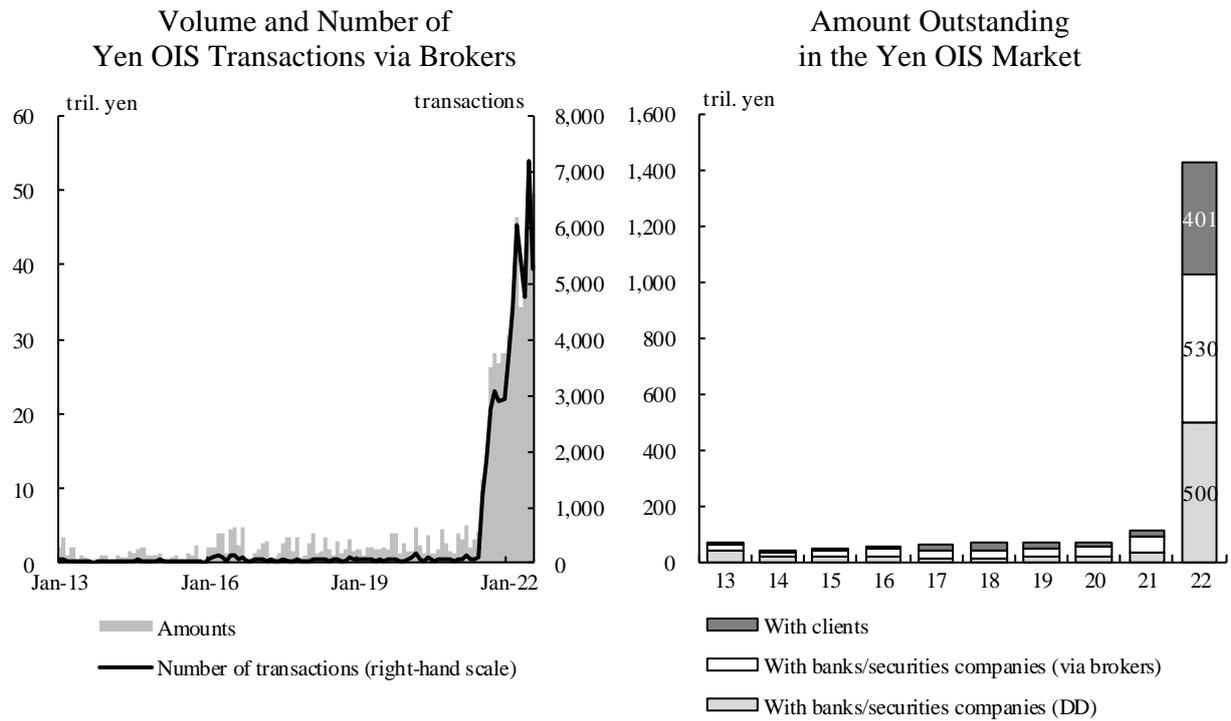


Chart 21: Amount Outstanding of Japanese Yen Fund Transactions with Overseas Counterparties by Investor Type



Note: The total of yen lending/borrowing through FX swaps, euroyen transactions, and with overseas branches and overseas group companies of financial institutions. Excludes transactions with institutional investors and business companies, and other linked transactions.

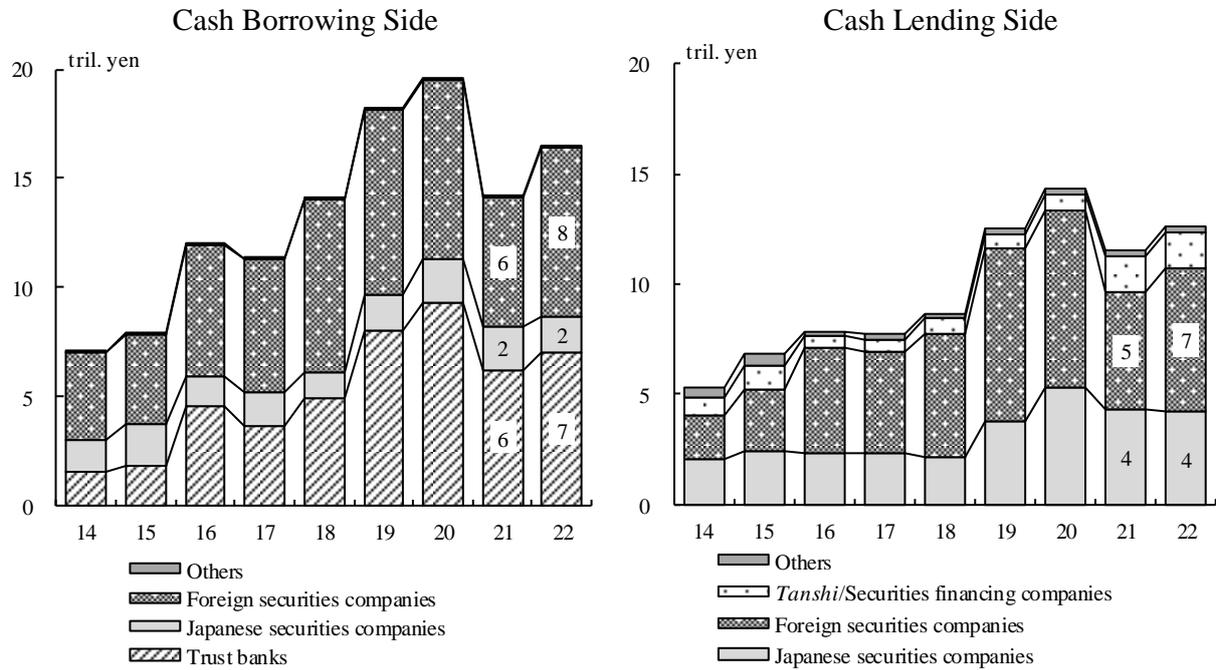
Chart 22: Yen Overnight Index Swap Market



Source: Money Brokers Association.

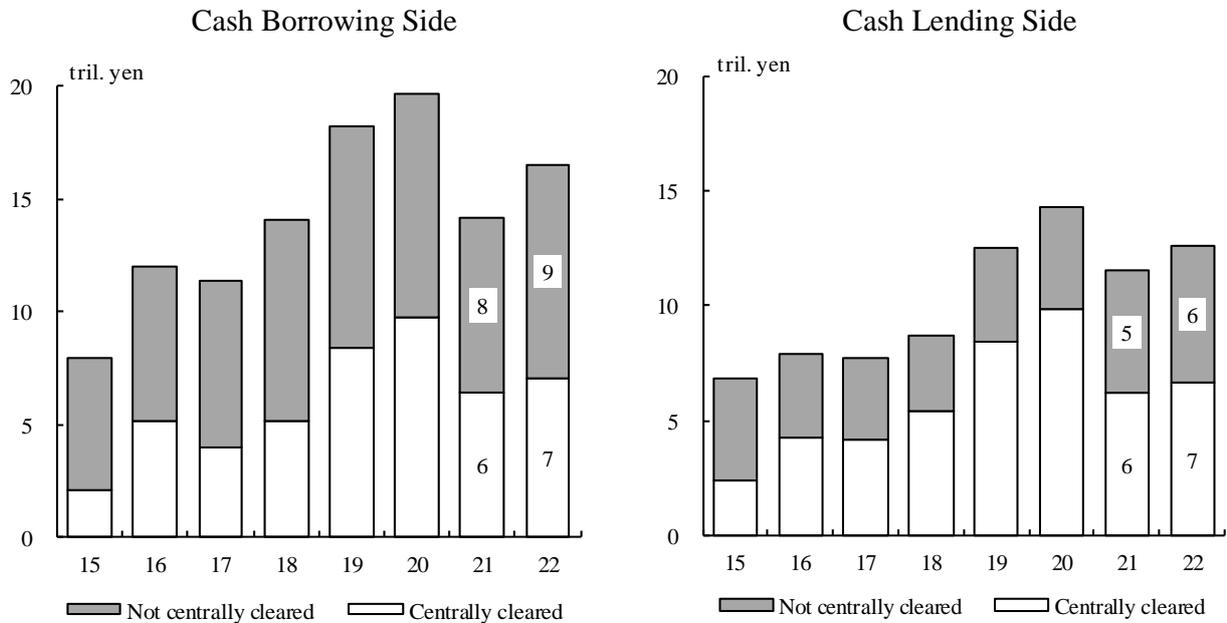
Note: Includes transactions by overseas offices of financial institutions. On the basis of notional amounts.

Chart 23: Amount Outstanding in the Equity Repo Market
By Investor Type



Note: Excludes the institutional credit trading, general margin trading, and equity lending between a financial instruments business operator and a securities finance company. The same applies to the next chart.

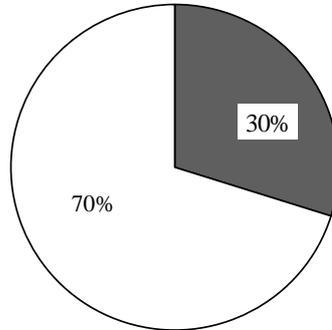
By Settlement Type



Note: "Centrally cleared" refers to transactions cleared at JASDEC DVP Clearing Corporation.

Chart 24: JPY Interest Rate Benchmarks for Derivative Transactions after the Cessation of JPY LIBOR

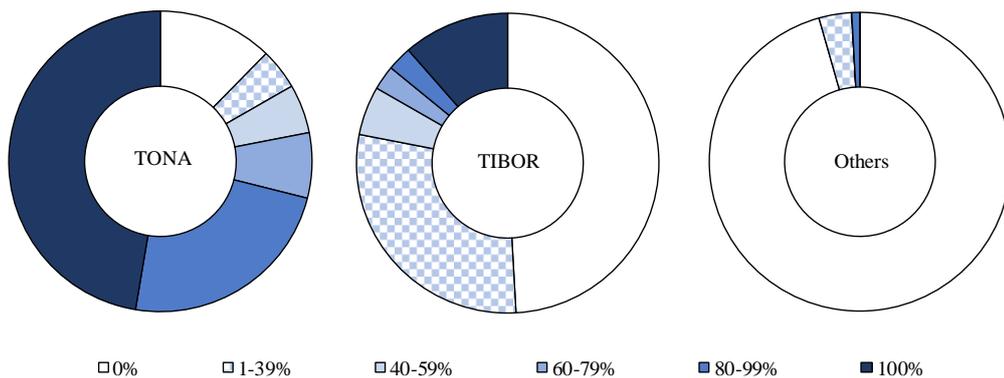
Whether Derivative Transactions referencing JPY Interest Rate Benchmarks have been Conducted after the Beginning of 2022



■ Conducted Transactions □ Not Conducted

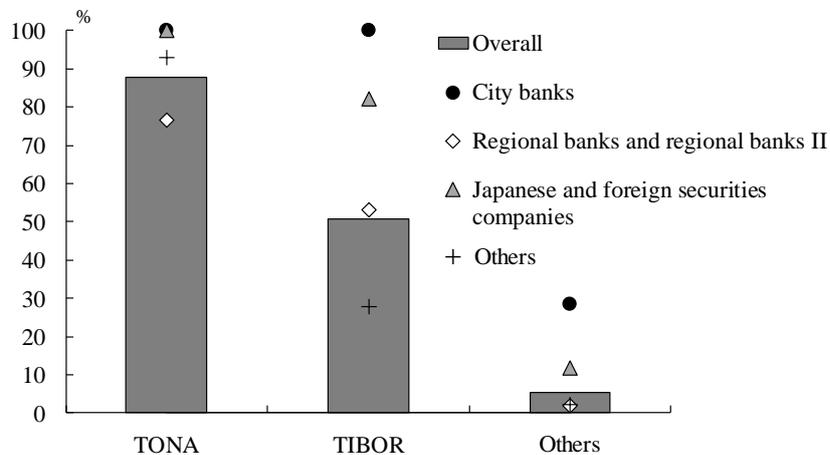
Note: Responses were obtained from all the respondents of the survey (383 respondents).

Usage of JPY Interest Rate Benchmarks in New Transactions [Usage in Terms of Volume of Transactions]



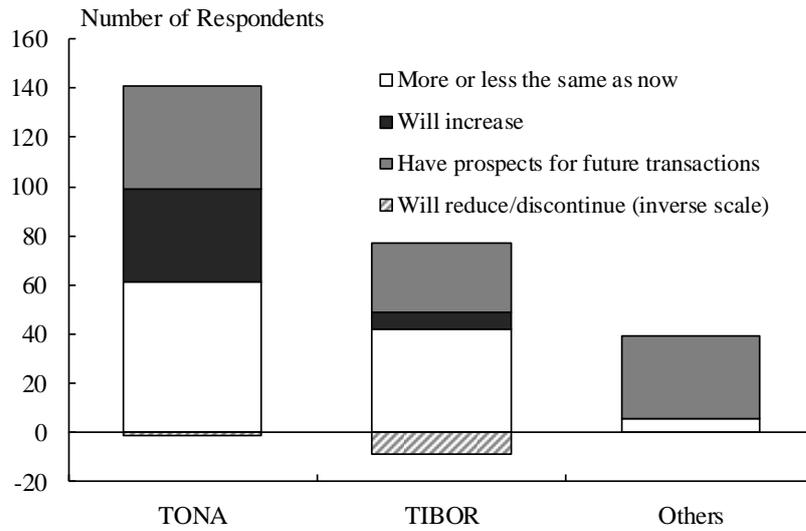
Note: Responses were obtained from 114 respondents who have engaged in new derivative transactions after the beginning of 2022. Based on the notional amounts outstanding.

[Usage of JPY Interest Rate Benchmarks by Investor Type]



Note: Responses were obtained from 114 respondents who have engaged in new derivative transactions after the beginning of 2022. Multiple answers were allowed. Based on the number of respondents.

Outlook for the Usage of JPY Interest Rate Benchmarks



Note: Responses were obtained from all the respondents of the survey (383 respondents).

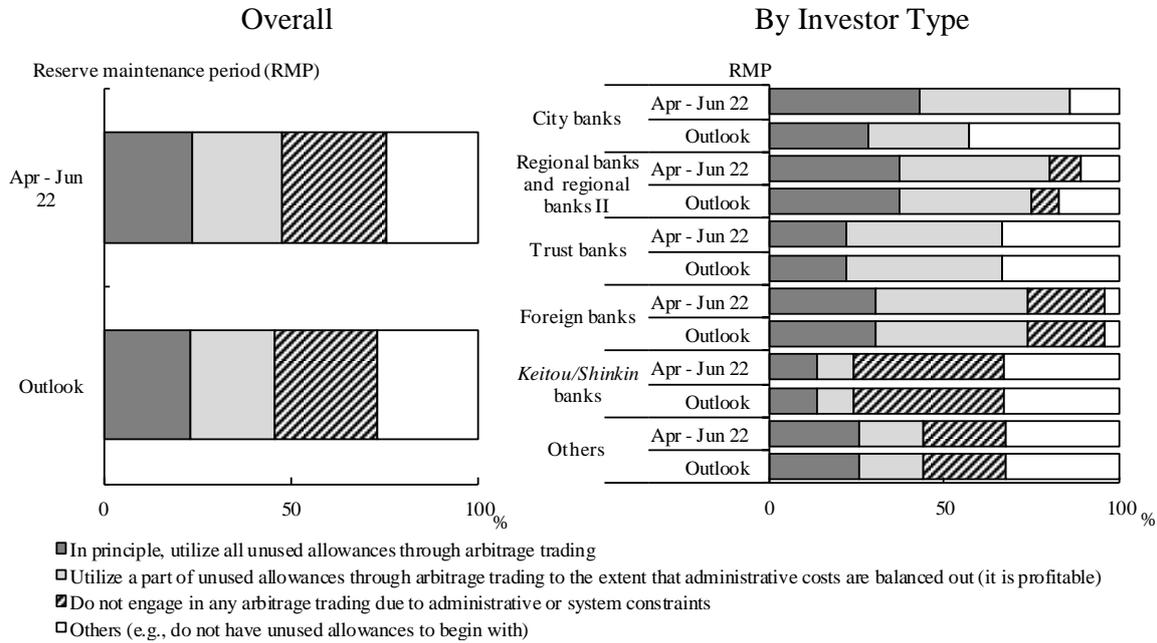
Issues regarding the Usage of JPY Interest Rate Benchmarks in Derivative Transactions



Note: Responses were obtained from all the respondents of the survey (383 respondents). Multiple answers were allowed.

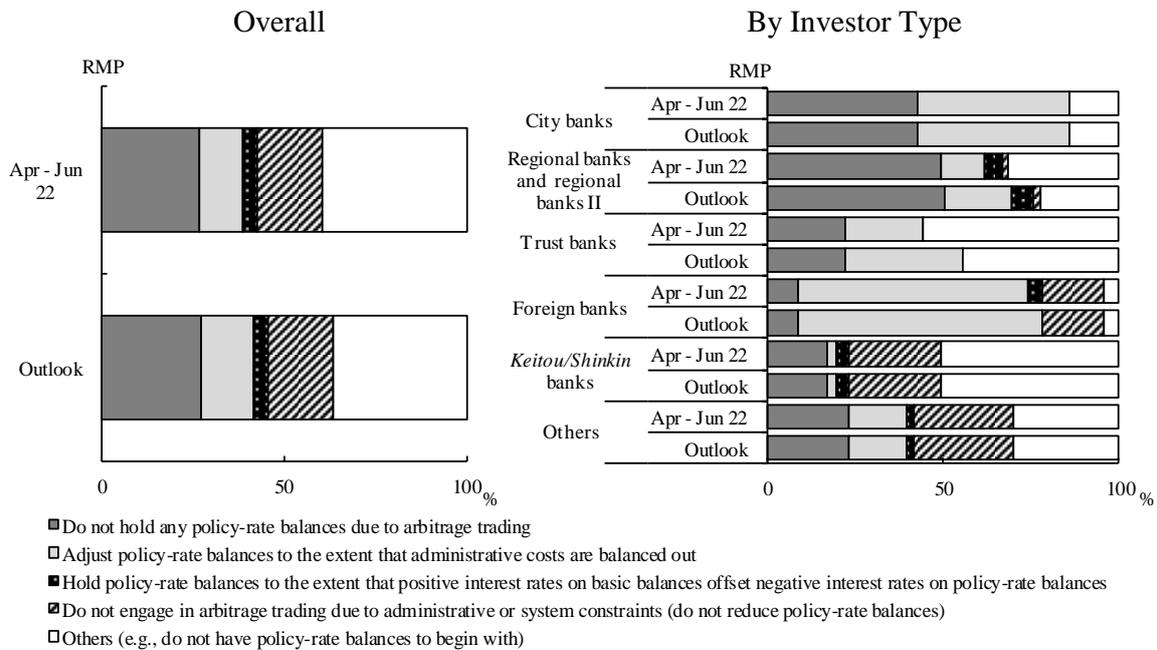
Chart 25: Stance on the Management of Current Accounts at the Bank

Stance on Unused Allowances in Basic Balances and/or Macro Add-on Balances



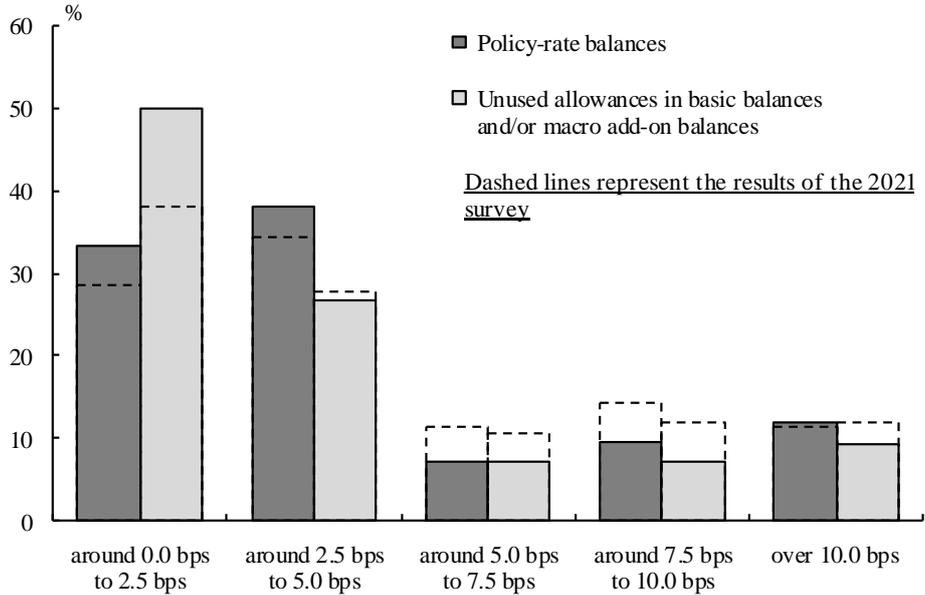
Note: Respondents are only those that have current accounts at the Bank. Respondents were asked to provide their stance on unused allowances in basic balances and/or macro add-on balances in borrowing and lending cash in the money market during the reserve maintenance periods from April to June 2022 and an outlook for their stance (in the reserve maintenance periods from October 2022 to March 2023).

Stance on Policy-Rate Balances



Note: Respondents are only those that have current accounts at the Bank. Respondents were asked to provide their stance on policy-rate balances in borrowing and lending cash in the money market during the reserve maintenance periods from April to June 2022 and an outlook for their stance (in the reserve maintenance periods from October 2022 to March 2023).

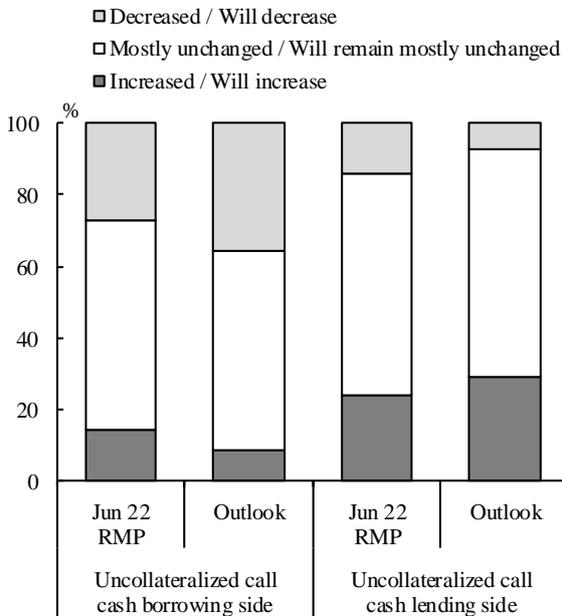
Spread that Matches Administrative Costs



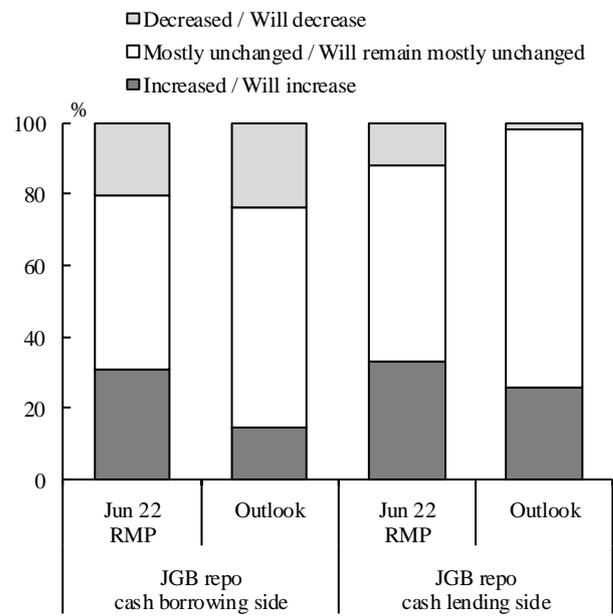
Note: The spread between the rate on arbitrage trading and the interest rate applied according to their current account balances. In order to examine the changes from the previous survey, this chart indicates responses from those that answered they "engaged in arbitrage trading to the extent that administrative costs are balanced out" among the respondents who participated in both the 2021 survey and the 2022 survey.

Money Market Transactions ^{1,2}

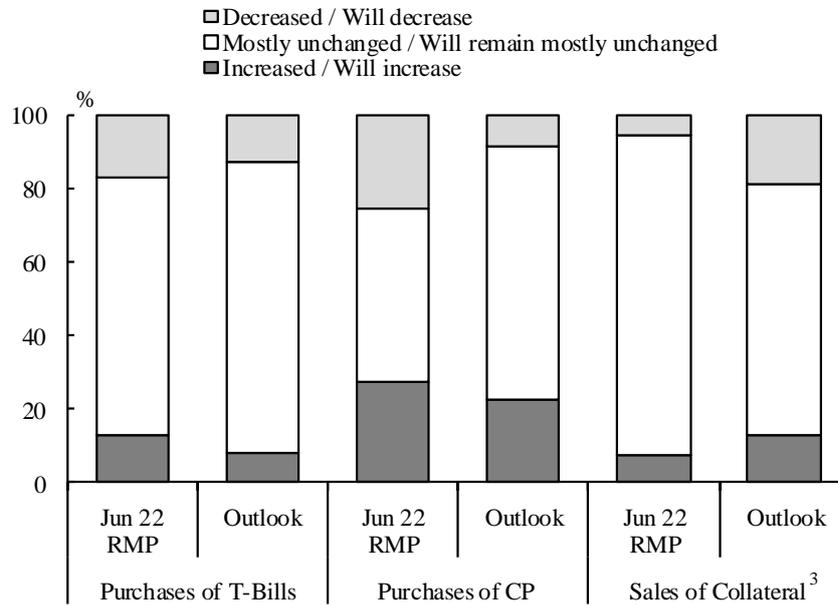
[Uncollateralized Call Transactions]



[JGB Repo Transactions]



[Others]



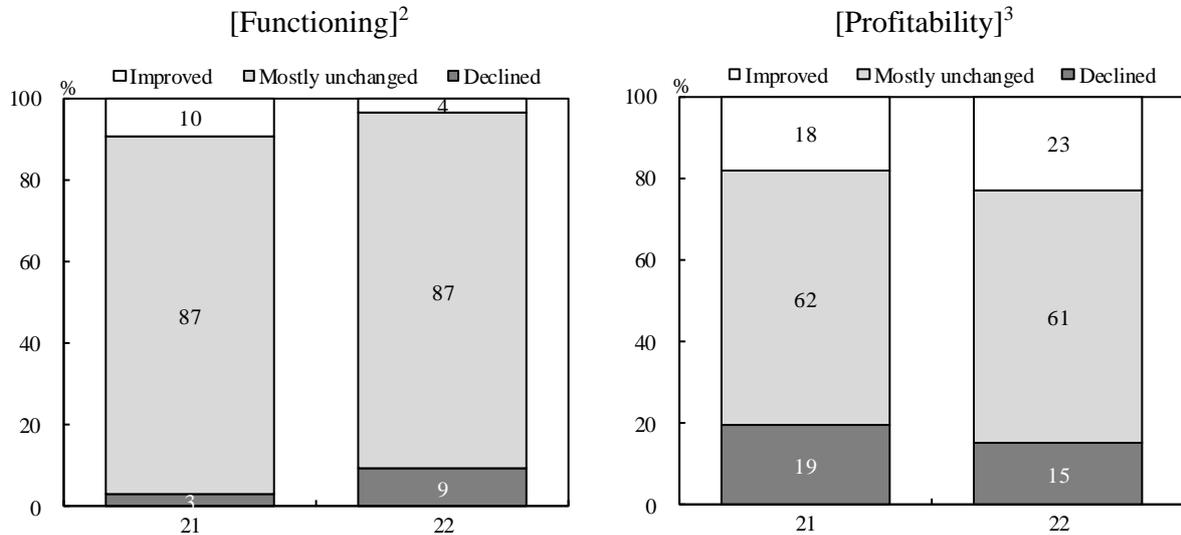
Notes 1: Respondents are only those that have current accounts at the Bank. Respondents who answered "do not engage/do not plan to engage" are excluded from each item.

2: Respondents were asked to compare their stance in the June 2022 reserve maintenance period with that in the March 2022 reserve maintenance period, and to compare their outlook (in the reserve maintenance periods from October 2022 to March 2023) with their stance in the June 2022 reserve maintenance period.

3: "Collateral" indicates eligible collateral submitted to the Bank.

Chart 26: Perceptions of Market Participants on Money Market Transactions

Money Market¹

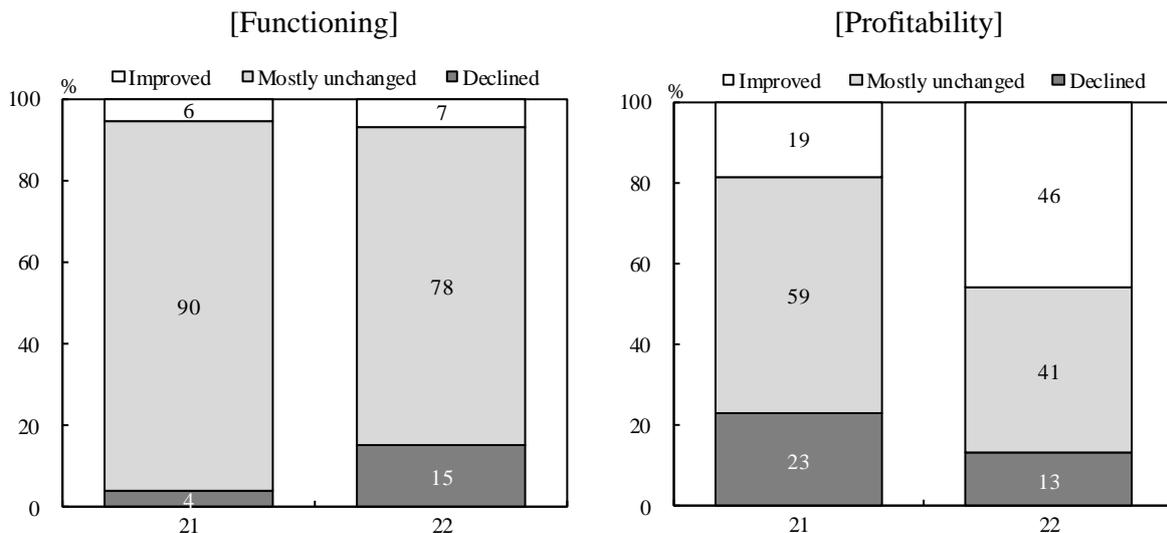


Notes 1: Responses were obtained only from those counterparties that were engaged in call money transactions or JGB repo transactions, or in both of them.

2: The question on "Functioning" was designed to find the perceptions of market participants on the change in the functioning of the money market from the previous year, mainly taking into account whether respondents were able to make transactions with intended rates, prices, terms, and counterparties. The same applies to the following results.

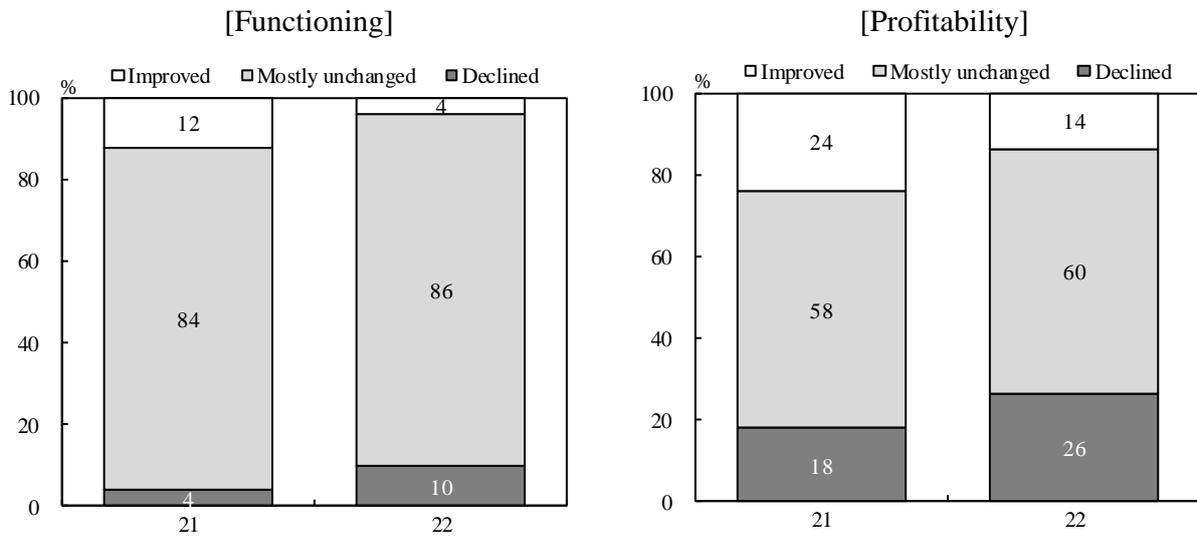
3: The question on "Profitability" was designed to find the perceptions of market participants on the change in profitability in the money market from the previous year, mainly taking into account investment yield, funding cost, transaction amounts, and fixed cost. Responses also include those from counterparties who posted losses in their total money market transactions. It is considered that they answered "improved (declined)" when their losses shrank (or expanded) from the previous year. The same applies to the results that follow.

JGB Repo Transactions



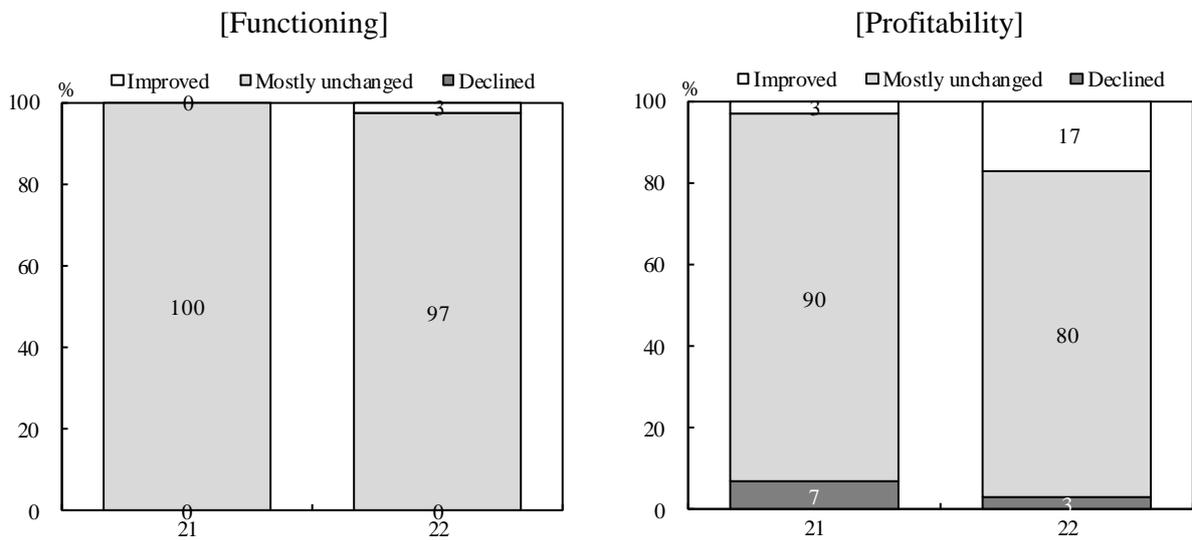
Note: Responses were obtained only from those that were engaged in JGB repo transactions.

Uncollateralized Call Transactions



Note: Responses were obtained only from those that were engaged in uncollateralized call transactions.

Collateralized Call Transactions



Note: Responses were obtained only from those that were engaged in collateralized call transactions.

Chart 27: Degree of Concentration in Each Market

