

Bond Market Survey (November 2023)

Survey period: From November 1 to November 10, 2023

Number of respondents¹: 70

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)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI ³		-40	-31	
Percentage	1. High	0	3	2
	2. Not very high	60	63	44
	3. Low	40	34	24

³ DI: Diffusion Index of "1" minus "3", %points. The same applies hereafter.

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		15	8	
Percentage	1. Has improved	21	17	12
	2. Hasn't really improved	73	74	52
	3. Has decreased	6	9	6

(2) Factors related to bond market functioning and liquidity

a. The bid-ask spread from your company's viewpoint

(Current situation)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-43	-39	
Percentage	1. Tight	1	4	3
	2. Not very tight	54	53	37
	3. Wide	44	43	30

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-10	-7	
Percentage	1. Has tightened	4	3	2
	2. Hasn't really tightened	81	87	61
	3. Has widened	14	10	7

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

(Current situation)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-46	-43	
Percentage	1. Large	0	0	0
	2. Not very large	54	57	40
	3. Small	46	43	30

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

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-5	-7	
Percentage	1. Has increased	9	7	5
	2. Hasn't really increased	77	79	55
	3. Has decreased	14	14	10

c. The dealing frequency of your company⁵

(Current situation)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-14	-20	
Percentage	1. High	7	4	3
	2. Not very high	71	71	50
	3. Low	21	24	17

⁵ Answer dealing frequency with the same counterparty.

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		5	0	
Percentage	1. Has increased	14	14	10
	2. Hasn't really increased	77	71	50
	3. Has decreased	9	14	10

d. The number of your dealing counterparties

(Current situation)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-24	-25	
Percentage	1. Large	0	1	1
	2. Not very large	76	73	51
	3. Small	24	26	18

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-6	2	
Percentage	1. Has increased	3	9	6
	2. Hasn't really increased	89	84	59
	3. Has decreased	9	7	5

e. The lot size of your company

(Current situation)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-20	-18	
Percentage	1. Large	6	6	4
	2. Not very large	69	70	49
	3. Small	26	24	17

(Change from three months ago)

		(%,%points)		
		Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI		-6	-11	
Percentage	1. Has increased	3	3	2
	2. Hasn't really increased	89	83	58
	3. Has decreased	9	14	10

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

(Current situation) (%,%points)

	Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI	0	7	
Percentage	1. Yes	26	18
	2. Not really	49	39
	3. No	26	13

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

(Current situation) (%,%points)

	Aug. 2023 Survey	Nov. 2023 Survey	Number of respondents
DI	1	9	
Percentage	1. Yes	26	19
	2. Not really	49	37
	3. No	25	13

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 : 68 >	End-Dec. 2023	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.15	0.19	0.24	0.27	0.32	0.36
Third quartile (75th percentile)	0.15	0.24	0.30	0.30	0.40	0.50
Median	0.15	0.20	0.25	0.25	0.30	0.30
First quartile (25th percentile)	0.11	0.15	0.15	0.20	0.20	0.20

(Newly issued 5-year JGB yield) (%)

< Number of respondents : 68 >	End-Dec. 2023	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.45	0.52	0.56	0.59	0.64	0.68
Third quartile (75th percentile)	0.50	0.60	0.65	0.66	0.73	0.80
Median	0.45	0.50	0.53	0.55	0.60	0.63
First quartile (25th percentile)	0.40	0.45	0.50	0.50	0.50	0.50

(Newly issued 10-year JGB yield) (%)

< Number of respondents : 69 >	End-Dec. 2023	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.93	1.01	1.08	1.10	1.14	1.17
Third quartile (75th percentile)	1.00	1.10	1.20	1.20	1.20	1.30
Median	0.90	1.00	1.10	1.10	1.10	1.20
First quartile (25th percentile)	0.90	0.93	1.00	1.00	1.00	1.00

(Newly issued 20-year JGB yield) (%)

< Number of respondents : 68 >	End-Dec. 2023	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2026
Average	1.66	1.73	1.77	1.78	1.81	1.83
Third quartile (75th percentile)	1.72	1.80	1.90	1.90	1.98	2.00
Median	1.70	1.70	1.80	1.80	1.80	1.82
First quartile (25th percentile)	1.60	1.65	1.70	1.69	1.65	1.65

(Newly issued 30-year JGB yield) (%)

< Number of respondents : 67 >	End-Dec. 2023	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2026
Average	1.87	1.94	1.98	2.00	2.02	2.02
Third quartile (75th percentile)	1.93	2.00	2.09	2.10	2.19	2.20
Median	1.88	1.95	2.00	1.98	2.00	2.00
First quartile (25th percentile)	1.80	1.85	1.90	1.90	1.90	1.90

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2025 and end-Mar. 2026

(%)

	≤ ▲ 0.50%	▲ 0.49~▲ 0.25%	▲ 0.24~0.00%	0.01~0.25%	0.26~0.50%	0.51~0.75%	0.76~1.00%	1.01~1.25%	1.26~1.50%	1.51%≤
End-Mar. 2025 (67 respondents)	0.0	0.1	0.1	0.7	2.3	11.7	33.7	29.1	15.1	7.2
End-Mar. 2026 (67 respondents)	0.1	0.1	0.2	0.6	3.1	10.1	28.7	29.2	18.7	9.4

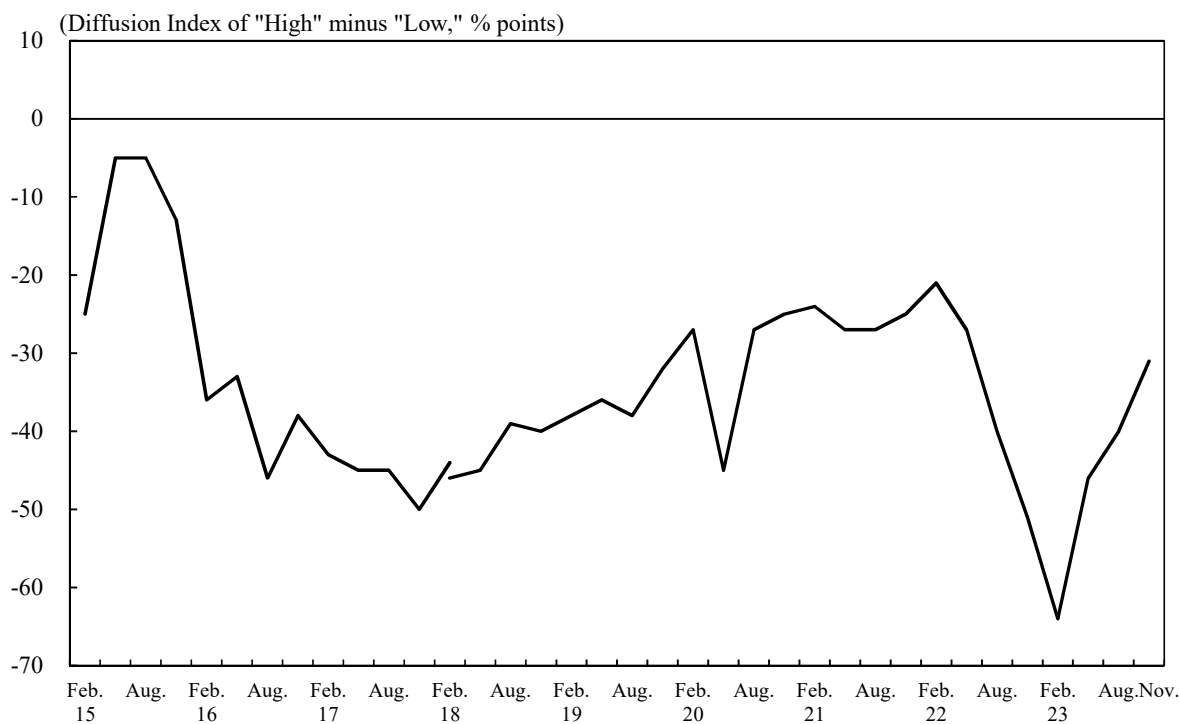
⁶ Arithmetic average

Note: The next survey's publication date is March 1, 2024

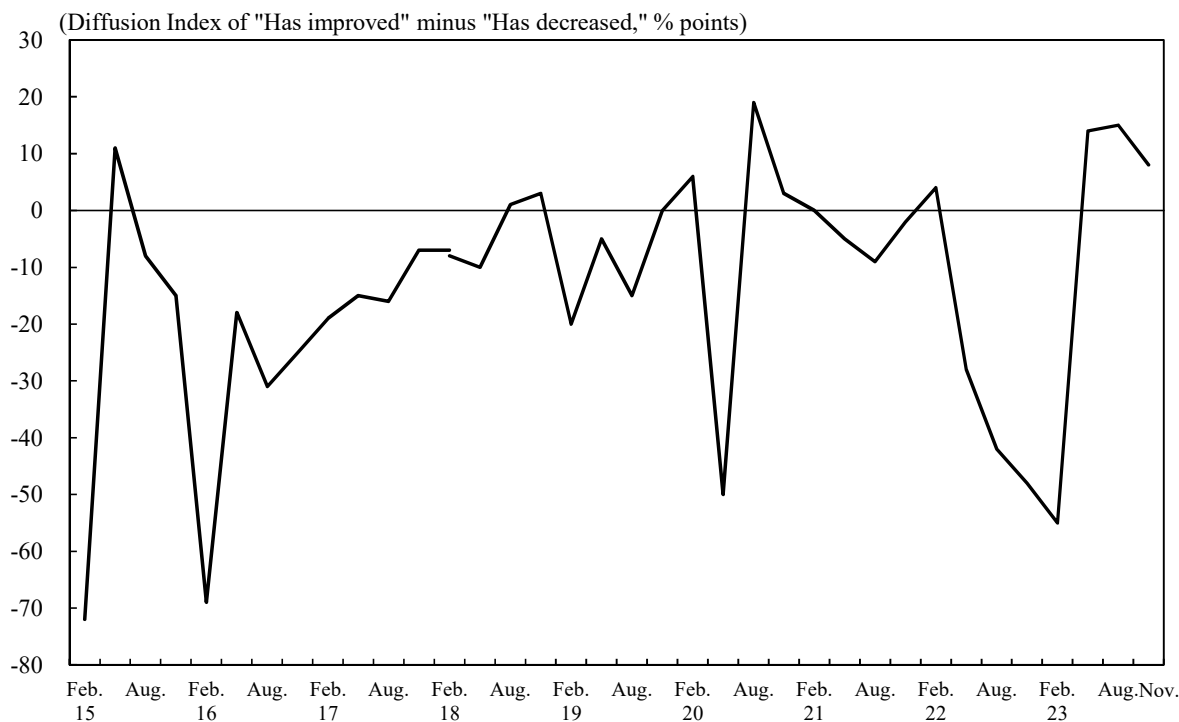
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Degree of Bond Market Functioning

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.