

Bond Market Survey (February 2024)

Survey period: From February 1 to February 7, 2024

Number of respondents¹: 71

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)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI ³		-31		-29			
Percentage	1. High	3	1	3	1		
	2. Not very high	63	69	63	49		
	3. Low	34	30	34	21		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		8		-5			
Percentage	1. Has improved	17	3	17	2		
	2. Hasn't really improved	74	89	74	63		
	3. Has decreased	9	8	9	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)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-39		-35			
Percentage	1. Tight	4	3	4	2		
	2. Not very tight	53	59	53	42		
	3. Wide	43	38	43	27		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-7		-9			
Percentage	1. Has tightened	3	1	3	1		
	2. Hasn't really tightened	87	89	87	63		
	3. Has widened	10	10	10	7		

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

(Current situation)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-43		-41			
Percentage	1. Large	0	0	0	0		
	2. Not very large	57	59	57	42		
	3. Small	43	41	43	29		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-7		-10			
Percentage	1. Has increased	7	3	7	2		
	2. Hasn't really increased	79	85	79	60		
	3. Has decreased	14	13	14	9		

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)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-20		-24			
Percentage	1. High	4	4	4	3		
	2. Not very high	71	68	71	48		
	3. Low	24	28	24	20		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		0		-20			
Percentage	1. Has increased	14	1	14	1		
	2. Hasn't really increased	71	77	71	55		
	3. Has decreased	14	21	14	15		

⁵ Answer dealing frequency with the same counterparty.

d. The number of your dealing counterparties

(Current situation)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-25		-32			
Percentage	1. Large	1	0	1	0		
	2. Not very large	73	68	73	48		
	3. Small	26	32	26	23		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		2		-18			
Percentage	1. Has increased	9	0	9	0		
	2. Hasn't really increased	84	82	84	58		
	3. Has decreased	7	18	7	13		

e. The lot size of your company

(Current situation)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-18		-20			
Percentage	1. Large	6	4	6	3		
	2. Not very large	70	72	70	51		
	3. Small	24	24	24	17		

(Change from three months ago)

		Nov. 2023 Survey		Feb. 2024 Survey		Number of respondents	
DI		-11		-12			
Percentage	1. Has increased	3	3	3	2		
	2. Hasn't really increased	83	82	83	58		
	3. Has decreased	14	15	14	11		

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

(Current situation) (%,%points)

	Nov. 2023 Survey	Feb. 2024 Survey	Number of respondents
DI	7	5	
Percentage			
1. Yes	26	23	16
2. Not really	56	59	42
3. No	19	18	13

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

(Current situation) (%,%points)

	Nov. 2023 Survey	Feb. 2024 Survey	Number of respondents
DI	9	7	
Percentage			
1. Yes	28	27	19
2. Not really	54	53	37
3. No	19	20	14

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 : 69 >	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.14	0.19	0.22	0.26	0.29	0.35
Third quartile (75th percentile)	0.15	0.25	0.25	0.30	0.36	0.50
Median	0.15	0.20	0.20	0.25	0.25	0.30
First quartile (25th percentile)	0.10	0.14	0.15	0.15	0.19	0.20

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

< Number of respondents : 69 >	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.39	0.46	0.49	0.53	0.57	0.63
Third quartile (75th percentile)	0.40	0.50	0.55	0.60	0.70	0.78
Median	0.40	0.45	0.50	0.50	0.60	0.60
First quartile (25th percentile)	0.35	0.40	0.40	0.42	0.45	0.50

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

< Number of respondents : 70 >	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Mar. 2026
Average	0.82	0.91	0.95	0.98	1.02	1.09
Third quartile (75th percentile)	0.90	1.00	1.00	1.10	1.10	1.20
Median	0.80	0.90	0.95	1.00	1.00	1.10
First quartile (25th percentile)	0.75	0.80	0.85	0.86	0.89	0.90

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

< Number of respondents : 69 >	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Mar. 2026
Average	1.58	1.66	1.68	1.70	1.72	1.78
Third quartile (75th percentile)	1.65	1.75	1.75	1.80	1.86	2.00
Median	1.60	1.65	1.70	1.70	1.70	1.75
First quartile (25th percentile)	1.55	1.60	1.60	1.60	1.60	1.60

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

< Number of respondents : 68 >	End-Mar. 2024	End-Jun. 2024	End-Sep. 2024	End-Dec. 2024	End-Mar. 2025	End-Mar. 2026
Average	1.84	1.90	1.92	1.94	1.96	2.02
Third quartile (75th percentile)	1.90	2.00	2.00	2.00	2.10	2.20
Median	1.85	1.90	1.90	1.93	2.00	2.00
First quartile (25th percentile)	1.80	1.80	1.85	1.85	1.85	1.85

(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 (68 respondents)	0.0	0.1	0.1	0.9	4.6	17.8	35.3	23.7	11.4	6.2
End-Mar. 2026 (68 respondents)	0.0	0.1	0.1	0.8	5.2	14.9	28.9	26.1	15.9	8.1

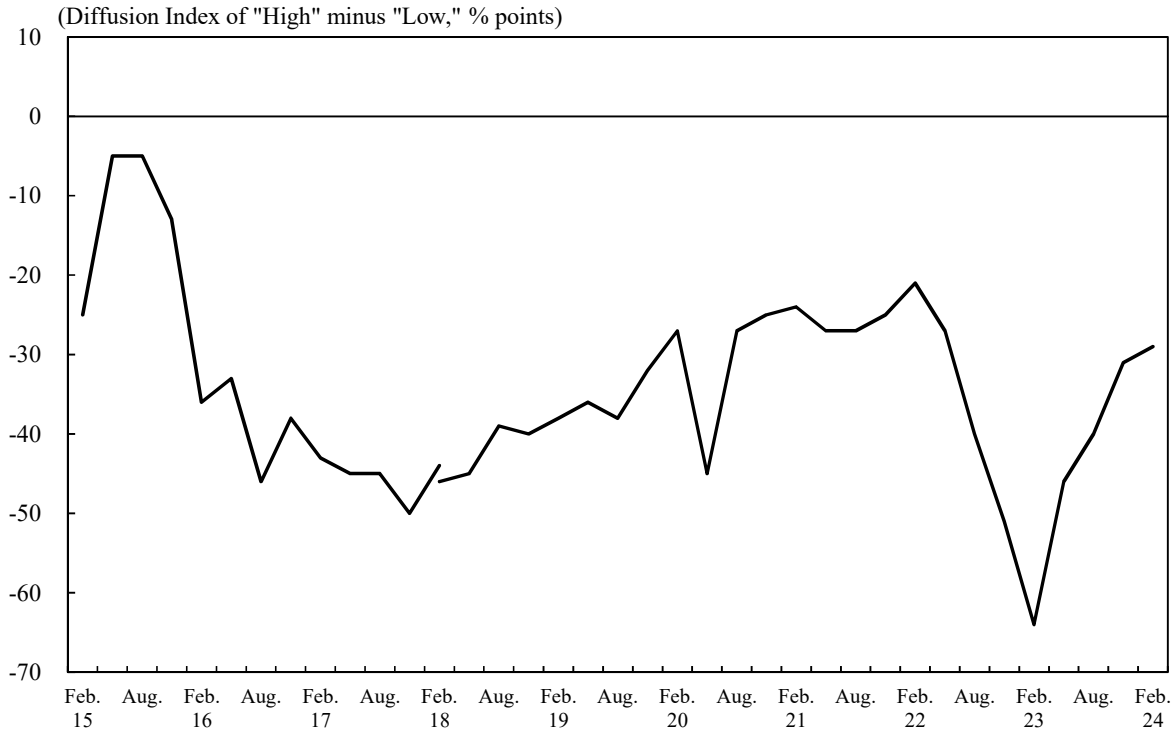
⁶Arithmetic average

Note: The next survey's publication date is June 3, 2024

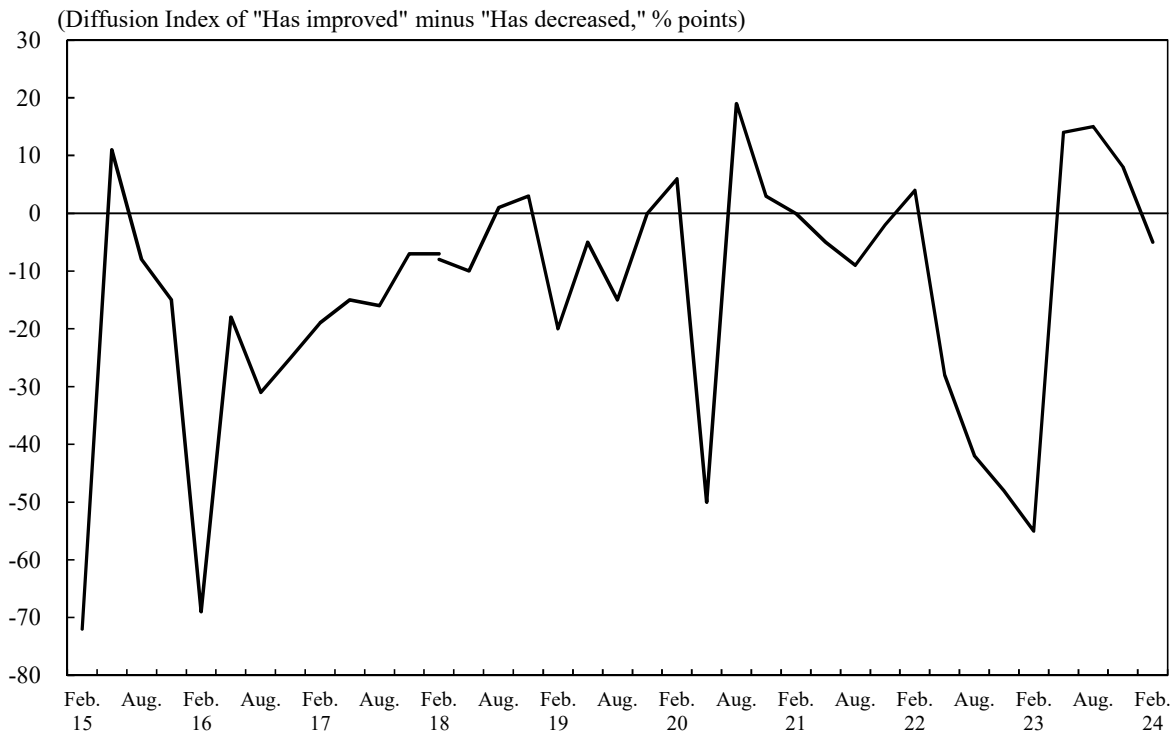
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Degree of Bond Market Functioning

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.