

Bond Market Survey (May 2022)

Survey period: From May 2 to May 11, 2022

Number of respondents¹: 69

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. 2022 Survey	May 2022 Survey	Number of respondents
DI ³		-21	-27	
Percentage	1. High	4	3	2
	2. Not very high	71	67	46
	3. Low	25	30	21

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

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		4	-28	
Percentage	1. Has improved	10	0	0
	2. Hasn't really improved	84	72	50
	3. Has decreased	6	28	19

(2) Factors related to bond market functioning and liquidity

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

(Current situation)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-1	-17	
Percentage	1. Tight	12	6	4
	2. Not very tight	75	71	49
	3. Wide	13	23	16

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-9	-20	
Percentage	1. Has tightened	4	3	2
	2. Hasn't really tightened	83	74	51
	3. Has widened	13	23	16

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

(Current situation)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-20	-27	
Percentage	1. Large	3	3	2
	2. Not very large	74	67	46
	3. Small	23	30	21

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

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-6	-19	
Percentage	1. Has increased	4	0	0
	2. Hasn't really increased	86	81	56
	3. Has decreased	10	19	13

c. The dealing frequency of your company⁵

(Current situation)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-13	-19	
Percentage	1. High	7	4	3
	2. Not very high	72	72	50
	3. Low	20	23	16

⁵ Answer dealing frequency with the same counterparty.

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		7	-18	
Percentage	1. Has increased	16	7	5
	2. Hasn't really increased	75	68	47
	3. Has decreased	9	25	17

d. The number of your dealing counterparties

(Current situation)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-16	-23	
Percentage	1. Large	6	0	0
	2. Not very large	72	77	53
	3. Small	22	23	16

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		3	-16	
Percentage	1. Has increased	10	1	1
	2. Hasn't really increased	83	81	56
	3. Has decreased	7	17	12

e. The lot size of your company

(Current situation)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-14	-12	
Percentage	1. Large	3	4	3
	2. Not very large	80	80	55
	3. Small	17	16	11

(Change from three months ago)

		Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI		-1	-13	
Percentage	1. Has increased	6	1	1
	2. Hasn't really increased	87	84	58
	3. Has decreased	7	14	10

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

(Current situation) (%,%points)

	Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI	32	23	
Percentage			
1. Yes	41	36	25
2. Not really	51	51	35
3. No	9	13	9

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

(Current situation) (%,%points)

	Feb. 2022 Survey	May 2022 Survey	Number of respondents
DI	34	22	
Percentage			
1. Yes	41	35	24
2. Not really	51	51	35
3. No	7	13	9

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 : 67 >	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Average	-0.05	-0.04	-0.04	-0.03	-0.01	0.00
Third quartile (75th percentile)	-0.05	-0.05	-0.02	0.00	0.00	0.05
Median	-0.05	-0.05	-0.05	-0.05	0.00	0.00
First quartile (25th percentile)	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05

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

< Number of respondents : 67 >	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.01	0.02	0.03	0.04	0.07	0.09
Third quartile (75th percentile)	0.02	0.05	0.05	0.08	0.10	0.15
Median	0.01	0.02	0.02	0.05	0.05	0.10
First quartile (25th percentile)	0.00	0.00	0.00	0.00	0.00	0.00

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

< Number of respondents : 68 >	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.23	0.24	0.26	0.27	0.31	0.36
Third quartile (75th percentile)	0.25	0.25	0.25	0.25	0.40	0.46
Median	0.24	0.25	0.25	0.25	0.25	0.30
First quartile (25th percentile)	0.22	0.23	0.23	0.24	0.25	0.25

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

< Number of respondents : 66 >	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Average	0.76	0.78	0.81	0.84	0.89	0.95
Third quartile (75th percentile)	0.80	0.80	0.85	0.90	1.00	1.05
Median	0.76	0.80	0.80	0.80	0.90	1.00
First quartile (25th percentile)	0.75	0.75	0.75	0.78	0.80	0.80

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

< Number of respondents : 66 >	End-Jun. 2022	End-Sep. 2022	End-Dec. 2022	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Average	1.00	1.02	1.05	1.08	1.13	1.20
Third quartile (75th percentile)	1.05	1.05	1.10	1.14	1.25	1.30
Median	1.00	1.00	1.05	1.07	1.10	1.20
First quartile (25th percentile)	1.00	1.00	1.00	1.00	1.00	1.00

(2) The probability distribution forecast⁶ of the newly issued 10-year JGB yield at end-Mar. 2024 and end-Mar. 2025

(%)

	≤▲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. 2024 (66 respondents)	0.1	0.5	5.4	57.5	28.3	5.4	1.9	0.5	0.3	0.1
End-Mar. 2025 (65 respondents)	0.1	0.6	4.3	42.5	36.7	11.0	2.9	1.3	0.4	0.1

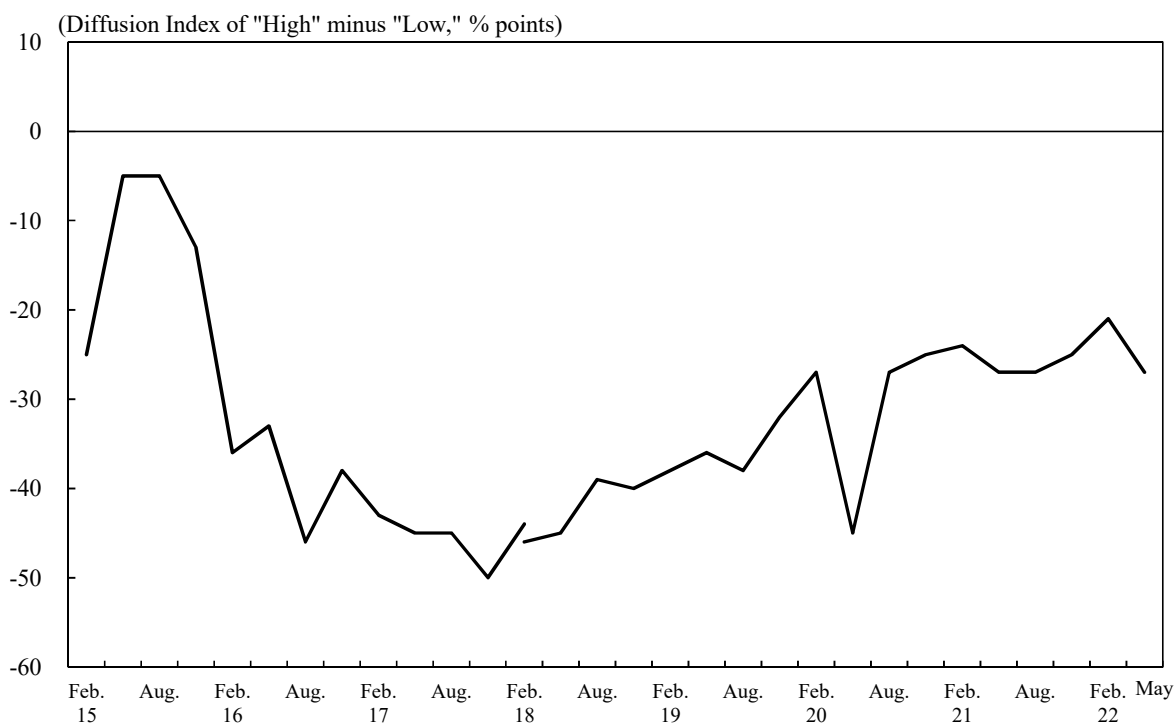
⁶Arithmetic average

Note: The next survey's publication date is September 1, 2022

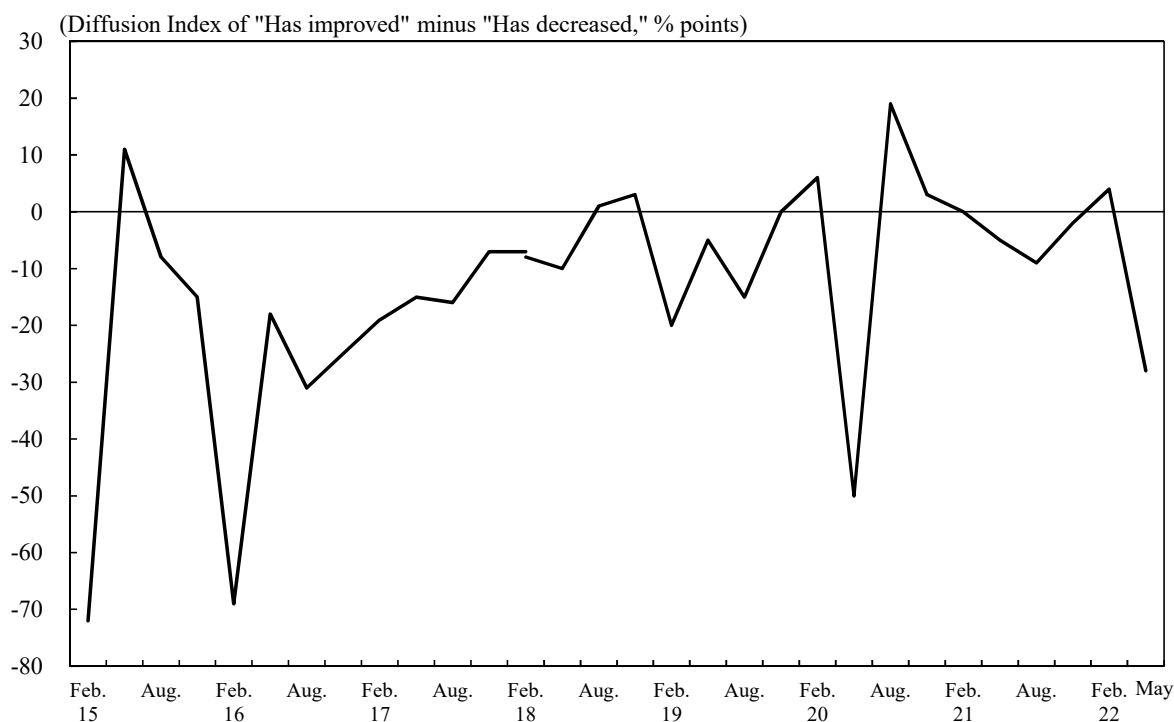
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Degree of Bond Market Functioning

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.