

SUMMARY

What's New: The 50th meeting of the Advisory Council, etc. p. 2-4

- ✓ The 50th meeting of the Advisory Council on Government Debt Management was held on June 12, 2019. The agenda was as follows:
 1. Follow-up on the Discussions of the 48th and 49th Meeting
 2. Update on Debt Management Policies in Foreign Countries
 3. Japanese Government Bond Market from Foreign Investors' Point of View
- ✓ The 81st Meeting of JGB Market Special Participants and the 80th Meeting of JGB investors were held on June 21 and June 24, 2019, respectively. Reflecting the discussion on the meeting, to stimulate the Inflation-Indexed Bond market, the MOF started publishing the top 5 PDs for successful bids of 10-Year Inflation-Indexed Bond annually.

Monthly Topics: JGBs holders and Basic Policy 2019 p. 5

- ✓ The Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2019.
- ✓ “Basic Policy on Economic and Fiscal Management and Reform 2019” was decided by the Cabinet on June 21, 2019.

IR Office: IMF Public Debt Management Forum p. 6

- ✓ On June 20 and 21, 2019, 17th IMF Public Debt Management Forum was co-hosted by the MOF and the International Monetary Fund (IMF) in Tokyo.

Statistics

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The Ministry of Finance

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The 50th meeting of the Advisory Council on Government Debt Management

The 50th meeting of the Advisory Council on Government Debt Management was held on June 12, 2019. The agenda was as follows:

(Agenda)

1. Follow-up on the Discussions of the 48th and 49th Meeting
2. Update on Debt Management Policies in Foreign Countries
3. Japanese Government Bond Market from Foreign Investors' Point of View
 - (1) Overseas IR activities
 - (2) Japanese Government Bond Market Conditions

The MOF explained 1, 2 and 3 (1), and Mr. Shimamoto, Societe Generale Securities, explained 3 (2). Here, we highlight the key discussions in the meeting. For the other parts, please refer to the links below.

- **Follow-up on the Discussions of the Previous Meeting and Update on Debt Management Policies in Foreign Countries**

- Summary of the Financial Bureau's presentation

(Follow-up on the discussions on the 49th meeting, "Cost at Risk Analysis")

- In order to realize one of the basic goals for the public debt management authorities, minimizing medium- to long-term financing costs, it is important to issue the government bonds maintaining balance between the cost and the risks, while understanding the yield risk.
- In Japan, "Cost at Risk analysis," which is an analysis observing the cost of interest payment generated from the simulation of the future yield fluctuation based on a stochastic interest rate model, is used to consider the bond issuance plan. The analysis period is 10 years and the cost is defined as the average of the interest expense rate during the period, while the risk is defined as the gap between the average and the 99% confidence level, in other words, the impact of the interest expense rate when a tail risk event occurs.
- As a result of the analysis, the cost has increased and the risk has decreased from FY2014 to FY2016, while the average redemption period being extended from 7.8 years to 8.8 years. On the other hand, after FY2017, average redemption period has been stable around 9 years resulting in no big change to the cost and the risk.

(Update on Debt Management Policies in Foreign Countries)

- Focusing on the average duration period, each country had extended their duration period from the late 2000s, but such a trend has recently stopped.
- Although it is a common understanding that ensuring the transparency and predictability of bond issuance is necessary, it depends in each country on how to manage the balance of predictability vs flexibility. In Japan, considering the relatively large bond issuance amount against the volume of the bond market and the size of the economy, the predictability of market participants is deemed more important compared to other countries.

➤ Views expressed by the members (summarized by Financial Bureau)

- The balance of risk and cost should be completely different during the current extremely low yield situation and during the event of a sudden spike on yield curve in the future. By discussing the maturity structure based on quantitative analysis and verification under various scenarios, the debt management authorities should be able to enhance stability and mobility on bond issuance.
- Presentation by MOF showing the balance of risk and cost quantitatively based on objective data is important step to enhance its accountability and meaningfulness since analysis including future forecast would cause a discussion on the relevance of the presumption itself.
- In addition, it is also important to conduct a simulation considering various elements, such as the current temporal scenario of rising uncertainty of the financial market, future policy changes including monetary policy and structure change in government bond holdings resulting from the demographic change.

● **Japanese Government Bond Market from Foreign Investors' Point of View**

➤ Summary of the Financial Bureau's presentation

- Foreign Investors' Government Bond holdings ratio on stock basis is gradually rising, marking about 12% as of the end of December 2018. On the other hand, they are showing a high presence on JGB market activity recording the share of transaction volume more than 30% on cash bonds and more than 60% on bond futures. Focusing on monthly transaction volume, it is remarkable that they are buying on balance for most of the months, which is a larger amount than the amounts from domestic banks and life insurance companies.
- With regards to the investors' investment trends for JGB we understood during the overseas IR activities on FY2018, although investment style differed among each investor, some of the typical ones were risk diversification on index based investment, short-term bond investment by currency swap transaction, holding as HQLA for liquidity regulations, etc.
- Touching on the future direction of our IR activities, we will continue to promote IR activities giving priority to those investors expected to continuously invest in and stably hold JGBs for a long term, in order to develop long-term, close relation with them. Simultaneously, we will attempt to regularly contact major asset management companies, etc. irrespective of their present JGB investment positions to promote their future JGB purchases and invigorate the market. We will also continue to enhance cooperation with debt management authorities and international institutions.

➤ Views expressed by the members (summarized by Financial Bureau)

- It is necessary to enhance the market environment surrounding JGBs since it is important to attract investors with various values.
- While investment activities from domestic investors are slowing down, the presence of foreign investors is increasing, hence, it is getting more important to analyze the foreign investors' activity trend. In addition, it is valuable to share information with foreign investors through IR activities since the current market condition is attractive to increase the foreign investors' portion of investment against JGBs.

The Meetings of JGB Market Special Participants and JGB Investors

The 81st Meeting of JGB Market Special Participants and the 80th Meeting of JGB Investors were held on June 21 and June 24, 2019, respectively. Considering the opinions in the meetings, the MOF decided on the “Issuance Amount of the Inflation-Indexed Bond on July-September 2019” and “Issuance Amount for Liquidity Enhancement Auctions on July-September 2019” as explained in the meetings. The participants also discussed the latest JGB market situation and the future outlook.

<Issuance Amount of the Inflation-Indexed Bond on July-September 2019>

- ✓ Issuance amount on August 2019 will be approximately 400 billion yen.
- ✓ Auction schedule of issuance and Buy-back Program of Inflation-Indexed Bonds on July-September 2019 is determined as below;

Auction Month	Auction amount
July 2019	-
August 2019	Issuance: Approximately 400 billion yen Buy-back: Approximately 20 billion yen
September 2019	-

(Note1) The auctions will be conducted once in August.

(Note2) Issues eligible for the buy-backs will be those with issue number 17 to 24.

(Note3) The Ministry of Finance reserves the right not to accept part or all of bids.

(Note4) The plan could be changed owing to market conditions and others.

(Source) MOF

<Issuance Amount for Liquidity Enhancement Auctions on July-September 2019>

- ✓ Issuance amount at each auction is unchanged from the previous quarter.

	July 2019	August 2019	September 2019
(1) Issues with remaining maturities of 1-5 years	Approximately 400 billion yen	Not be implemented	Approximately 400 billion yen
(2) Issues with remaining maturities of 5-15.5 years	Approximately 600 billion yen	Approximately 600 billion yen	Approximately 600 billion yen
(3) Issues with remaining maturities of 15.5-39 years	Not be implemented	Approximately 500 billion yen	Not be implemented

(Note1) Remaining maturities are calculated starting from June 30, 2019.

(Note2) Eligible issues for 2-year JGBs in (1) zone will be those with remaining maturities of more than one year on June 30, 2019 for July auction and on August 31, 2019 for September auction. It also includes those issued in the same month as the liquidity enhancement auction is held

(Note3) The plan could be changed owing to market conditions and others.

(Source) MOF

Reflecting the discussion on the Meeting of JGB Market Special Participants, to stimulate the Inflation-Indexed Bond market, the MOF started publishing the top 5 JGB Market Special Participants (Primary Dealers, or PDs) for successful bids for 10-Year Inflation-Indexed Bonds annually in addition to the league table of the top PDs for successful bids in the JGB auctions which is updated quarterly.

Top 10 PDs for Successful Bids in Auctions (Calculated by Duration) (Jan.~Jun. 2019)

1 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6 Merrill Lynch Japan Securities Co., Ltd.
2 Nomura Securities Co., Ltd.	7 Deutsche Securities Inc.
3 Daiwa Securities Co. Ltd.	8 BNP Paribas Securities (Japan) Limited
4 Mizuho Securities Co., Ltd.	9 SMBC Nikko Securities Inc.
5 JPMorgan Securities Japan Co., Ltd.	10 Citigroup Global Markets Japan Inc.

Top 5 PDs for Successful Bids of Inflation-Indexed Bond (FY2018)

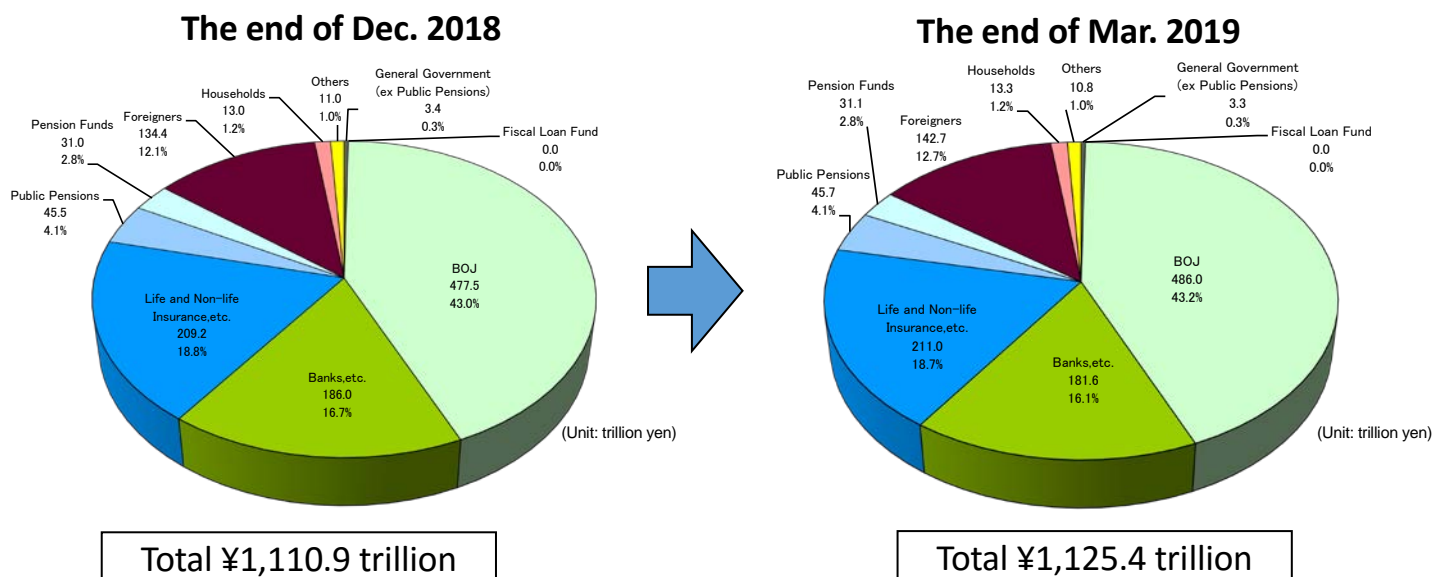
1 Goldman Sachs Japan Co., Ltd.
2 Nomura Securities Co., Ltd.
3 JPMorgan Securities Japan Co., Ltd.
4 Mizuho Securities Co., Ltd.
5 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Monthly Topics

1. Breakdown by JGBs (including T-Bills) Holders (end of March 2019)

On June 27, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2019. The shares of JGBs (including T-Bills, hereinafter referred to as “JGBs”) holders were updated as follows:

- The total amount of JGBs and T-Bills outstanding increased by 14.5 trillion yen to 1,125.4 trillion yen.
- BOJ increased its holdings of JGBs by 8.5 trillion yen to 486.0 trillion yen.
- The amount of JGBs held by domestic Banks in Q1 fell by 4.4 trillion yen to 181.6 trillion yen.
- The amount of JGBs held by foreign investors in Q1 increased by 8.3 trillion yen to 142.7 trillion yen.



Source: Bank of Japan “Flow of Funds Account (Preliminary Figures)”

2. Basic Policy on Economic and Fiscal Management and Reform 2019

“Basic Policy on Economic and Fiscal Management and Reform 2019” was decided by the Cabinet on June 21, 2019 in order to achieve both sustainable and inclusive economic growth and fiscal consolidation. Key elements of the Basic Policy are as follows:

- ◆ Establish a system suitable for the age of “Society 5.0”
 - 1) “Action Plan of the Growth Strategy” and other measures to boost growth potential
 - 2) Human resource development, work-style reform, promotion of measures to increase household income
 - 3) Promotion of regional revitalization
 - 4) Cooperation with the global economy and society
- ◆ Virtuous cycle of economic revitalization and fiscal consolidation
 - 1) Steady promotion of the New Plan to Advance Economic and Fiscal Revitalization
 - 2) Efficient and high-quality administrative and fiscal reforms through next-generation administrative services
 - 3) Reforms in major policy areas
 - 4) Acceleration and expansion of policy efforts in expenditure reforms

For more information, see the links below:

“Basic Policy on Economic and Fiscal Management and Reform 2019 (English ver.)”

<http://www5.cao.go.jp/keizai-shimon/kaigi/cabinet/2019/decision0621.html>

IMF Public Debt Management Forum

- On June 20 and 21, 2019, the 17th IMF Public Debt Management Forum was co-hosted by the Ministry of Finance, Japan (MOF) and the International Monetary Fund (IMF) in Tokyo. Participants in the forum were about 150 people from debt management authorities and central banks of 26 countries, multilateral institutions, market participants, scholars and other entities.



- Under the main topic “New Investors & New Instruments,” participants discussed a wide range of issues regarding debt management policy in recent years, including global economic and monetary policy trends, desirable government debt management policy facing growing outstanding debt, and impacts on bond markets from technological innovation, including electronic trading.
- After the opening remarks by **Mr. Suzuki**, State Minister of Finance, six sessions were held for the themes. **Mr. Ohata**, Director for Debt Management and JGB Investor Relations, made a presentation on Japan’s debt management policy and structural changes in Japanese government bond holdings in Session 1. Based on this presentation and other panelists’ presentations, participants held active and constructive discussions, and there were many informative questions which made the sessions all the more valuable.
- In a dinner reception on the first day of the two-day forum, the participants promoted their friendships after the welcoming speech by **Mr. Kabe**, Director-General, Financial Bureau.
- We would be pleased to see the forum help participants to deepen international discussions on various debt management challenges and to consider future debt management policies.



If you have any questions regarding the contents of this newsletter, please do not hesitate to contact us at: JGB-IR@mof.go.jp

Auction Results (Bonds)

(Until 30 June 2019)

Auction Date	Type of Security	Issue Number	Maturity Date	Nominal Coupon	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Yield at the Lowest Accepted Price	Yield at the Average Price	Amounts of Non-Competitive Bids Tendered /Accepted (billion yen)	Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen)	Amounts of Bids Accepted at the Non-price-competitive Auction II (billion yen)
4/2/2019	10-year	354	3/20/2029	0.1%	8,512.6	1,679.6	▲0.059%	▲0.060%	0.265	418.9	313.6
4/4/2019	30-year	62	3/20/2049	0.5%	2,563.3	562.8	0.542%	0.540%	-	135.7	48.8
4/9/2019	5-year	139	3/20/2024	0.1%	8,162.7	1,536.0	▲0.162%	▲0.164%	-	363.0	192.2
4/16/2019	20-year	168	3/20/2039	0.4%	3,712.5	727.7	0.367%	0.366%	-	171.3	90.4
4/23/2019	2-year	400	5/1/2021	0.1%	8,164.8	1,619.7	▲0.150%	▲0.152%	-	379.4	0.0
5/8/2019	10-year	354	3/20/2029	0.1%	7,551.4	1,699.4	▲0.058%	▲0.060%	0.265	399.7	0.0
5/10/2019	10-year Inflation-Indexed Bonds	24	3/10/2029	0.1%	1,486.8	399.9	▲0.266%	-	-	-	30.3
5/14/2019	30-year	62	3/20/2049	0.5%	2,635.3	567.0	0.531%	0.529%	-	132.4	0.0
5/16/2019	5-year	139	3/20/2024	0.1%	7,622.9	1,543.8	▲0.168%	▲0.170%	-	355.1	221.0
5/22/2019	20-year	168	3/20/2039	0.4%	4,018.1	735.1	0.362%	0.359%	-	164.1	108.0
5/28/2019	40-year	12	3/20/2059	0.5%	1,547.6	399.5	0.535%	-	-	-	5.0
5/30/2019	2-year	401	6/1/2021	0.1%	8,974.1	1,649.6	▲0.166%	▲0.169%	-	349.6	0.0
6/4/2019	10-year	354	3/20/2029	0.1%	6,838.0	1,715.3	▲0.103%	▲0.106%	0.238	383.7	0.0
6/13/2019	30-year	62	3/20/2049	0.5%	2,054.2	591.4	0.349%	0.319%	-	108.3	0.0
6/18/2019	5-year	139	3/20/2024	0.1%	7,145.2	1,584.3	▲0.226%	▲0.228%	-	315.0	219.2
6/25/2019	20-year	168	3/20/2039	0.4%	3,043.3	745.5	0.212%	0.208%	-	153.7	117.8
6/27/2019	2-year	402	7/1/2021	0.1%	7,449.9	1,695.5	▲0.211%	▲0.216%	-	304.1	55.9

Auction Results (Treasury Discount Bills)

(Until 30 June 2019)

Auction Date	Type of Security	Issue Number	Maturity Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Yield at the Lowest Accepted Price	Yield at the Average Price	Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen)
4/3/2019	3-month	823	7/8/2019	10,809.61	3,535.15	▲0.1497%	▲0.1628%	804.80
4/5/2019	3-month	824	7/16/2019	13,323.80	3,521.17	▲0.1400%	▲0.1444%	818.80
4/9/2019	6-month	825	10/10/2019	9,047.60	1,865.56	▲0.1674%	▲0.1713%	434.40
4/12/2019	3-month	826	7/22/2019	11,116.30	3,488.26	▲0.1861%	▲0.1984%	811.70
4/18/2019	1-year	827	4/20/2020	7,245.10	1,537.16	▲0.1651%	▲0.1691%	362.80
4/19/2019	3-month	828	7/29/2019	10,436.90	3,525.59	▲0.1358%	▲0.1552%	774.40
5/8/2019	3-month	829	8/5/2019	13,197.60	3,533.95	▲0.1409%	▲0.1492%	806.00
5/9/2019	6-month	830	11/11/2019	8,025.30	1,872.86	▲0.1458%	▲0.1518%	427.10
5/10/2019	3-month	831	8/13/2019	11,602.05	3,493.13	▲0.1526%	▲0.1602%	786.80
5/16/2019	1-year	832	5/20/2020	6,738.30	1,567.46	▲0.1553%	▲0.1603%	332.50
5/17/2019	3-month	833	8/19/2019	12,983.69	3,572.43	▲0.1463%	▲0.1527%	727.50
5/24/2019	3-month	834	8/26/2019	11,975.10	3,507.18	▲0.1423%	▲0.1499%	772.70
5/31/2019	3-month	835	9/2/2019	11,298.50	3,506.24	▲0.1503%	▲0.1587%	773.70
6/6/2019	6-month	836	12/10/2019	7,878.90	1,878.16	▲0.1614%	▲0.1654%	421.80
6/7/2019	3-month	837	9/9/2019	11,326.50	3,554.45	▲0.1363%	▲0.1443%	745.50
6/14/2019	3-month	838	9/17/2019	12,784.80	3,580.84	▲0.1407%	▲0.1483%	749.10
6/19/2019	1-year	839	6/22/2020	8,663.70	1,567.79	▲0.1851%	▲0.2068%	332.20
6/21/2019	3-month	840	9/24/2019	11,645.80	3,531.56	▲0.1288%	▲0.1384%	738.40
6/28/2019	3-month	841	9/30/2019	16,710.55	3,563.97	▲0.1042%	▲0.1138%	716.00

Auction Calendar for Jul. 2019 – Sep. 2019

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
7/2(Tue)	10-year	7/25(Thu)	2-year	8/22(Thu)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	9/13(Fri)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
7/4(Thu)	30-year	7/26(Fri)	T-Bills (3-month)	8/23(Fri)	T-Bills (3-month)	9/18(Wed)	T-Bills (1-year)
7/5(Fri)	T-Bills (3-month)	8/1(Thu)	10-year	8/27(Tue)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)	9/18(Wed)	20-year
7/9(Tue)	T-Bills (6-month)	8/2(Fri)	T-Bills (3-month)	8/29(Thu)	2-year	9/20(Fri)	T-Bills (3-month)
7/9(Tue)	5-year	8/6(Tue)	30-year	8/30(Fri)	T-Bills (3-month)	9/25(Wed)	40-year
7/11(Thu)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	8/8(Thu)	T-Bills (6-month)	9/3(Tue)	10-year	9/27(Fri)	T-Bills (3-month)
7/12(Fri)	T-Bills (3-month)	8/8(Thu)	10-year Inflation-Indexed Bonds	9/5(Thu)	30-year	9/27(Fri)	2-year
7/17(Wed)	20-year	8/9(Fri)	T-Bills (3-month)	9/6(Fri)	T-Bills (3-month)		
7/18(Thu)	T-Bills (1-year)	8/15(Thu)	5-year	9/9(Mon)	T-Bills (6-month)		
7/19(Fri)	T-Bills (3-month)	8/16(Fri)	T-Bills (3-month)	9/9(Mon)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)		
7/19(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	8/19(Mon)	T-Bills (1-year)	9/11(Wed)	5-year		
7/23(Tue)	40-year	8/20(Tue)	20-year	9/13(Fri)	T-Bills (3-month)		

Note.1: The above calendar may be changed or added in light of changes in circumstances. In such cases, it will be announced in advance.
Note.2: Each issue amount will be announced about one week prior to each auction date.

Top 10 PDs for Successful Bids in Auctions (Calculated by Duration) (Jan.~Jun. 2019)

1	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2	Nomura Securities Co., Ltd.
3	Daiwa Securities Co. Ltd.
4	Mizuho Securities Co., Ltd.
5	JPMorgan Securities Japan Co., Ltd.
6	Merrill Lynch Japan Securities Co., Ltd.
7	Deutsche Securities Inc.
8	BNP Paribas Securities (Japan) Limited
9	SMBC Nikko Securities Inc.
10	Citigroup Global Markets Japan Inc.

Top 5 PDs for Successful Bids of Inflation-Indexed Bond (FY2018)

1	Goldman Sachs Japan Co., Ltd.
2	Nomura Securities Co., Ltd.
3	JPMorgan Securities Japan Co., Ltd.
4	Mizuho Securities Co., Ltd.
5	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Liquidity Enhancement Auctions and JGB Buy-Back

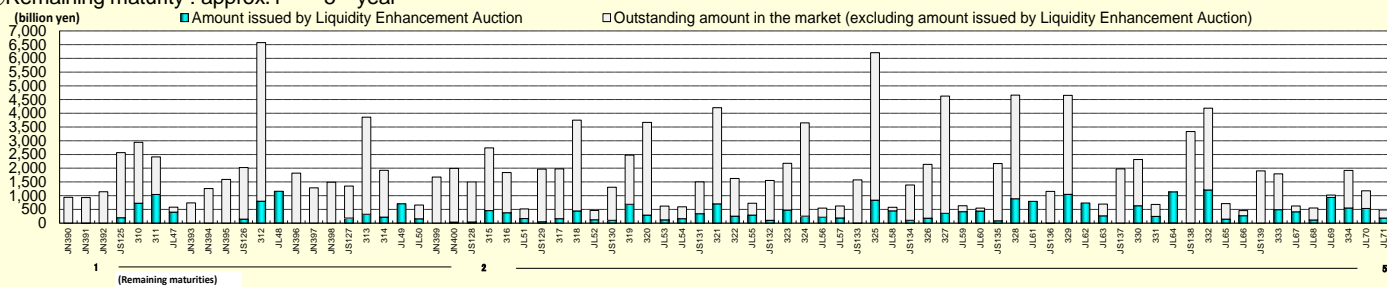
Results of Liquidity Enhancement Auctions

(Until 30 June 2019)

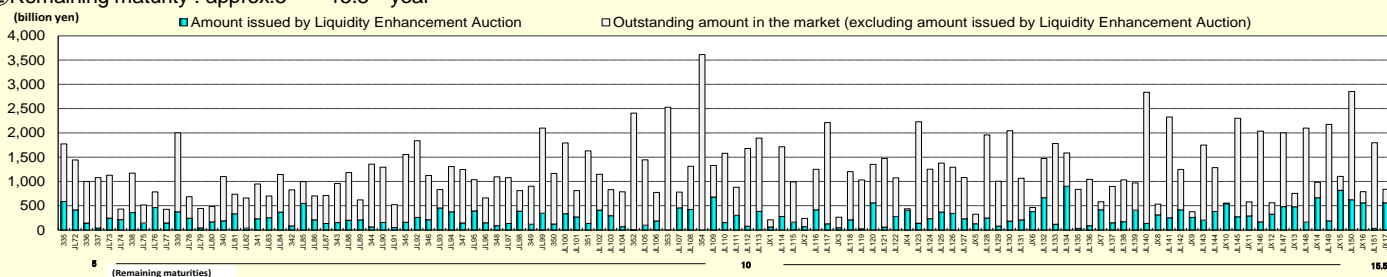
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
4/11/2019	1,419.5	498.6	▲0.002%	0.000%	20-year(153, 155, 156, 157, 158, 159) 30-year(17, 18, 19, 21, 22, 23, 24, 29, 38, 39, 40, 42, 44, 45, 48, 51, 53, 56, 57, 58, 59, 60) 40-year(1, 2, 4, 5, 11)
4/18/2019	2,113.3	597.1	▲0.011%	▲0.010%	10-year(334, 335, 339, 340, 341, 342, 343, 345, 346, 347, 348) 20-year(79, 84, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 97, 109, 113, 115, 118, 121, 122, 125, 127, 139, 142, 146) 30-year(2, 3, 4, 7, 9, 16)
5/20/2019	2,021.2	599.0	0.008%	0.009%	10-year(334, 335, 337, 338, 342, 345, 346, 348) 20-year(70, 85, 86, 87, 93, 94, 95, 97, 99, 109, 110, 111, 112, 114, 127, 139, 146) 30-year(6, 7, 8, 12, 13, 15, 16)
5/24/2019	1,939.3	398.4	▲0.006%	▲0.005%	2-year(400) 5-year(129, 130, 132, 133, 134, 135, 136) 10-year(308, 312, 316, 317, 321, 322, 323, 325, 328, 329, 332, 333) 20-year(46, 48, 49, 53, 54, 59, 60, 61)
6/6/2019	1,001.3	499.0	0.008%	0.014%	20-year(151, 153, 157, 158, 165) 30-year(34, 37, 38, 39, 40, 41, 43, 45, 50, 54, 57, 58, 59, 60, 61) 40-year(1, 2, 4, 6, 7, 8, 9, 10, 11)
6/11/2019	1,830.3	598.8	0.010%	0.013%	10-year(334, 335, 336, 340, 343, 344, 345, 346, 347, 348, 350) 20-year(70, 71, 72, 81, 82, 83, 85, 86, 87, 89, 90, 91, 92, 93, 95, 96, 97, 98, 99, 100, 109, 110, 113, 125, 127, 128, 134, 139, 145, 148) 30-year(1, 13, 16)

Target Zones of Liquidity Enhancement Auctions for the Second Quarter of FY 2019

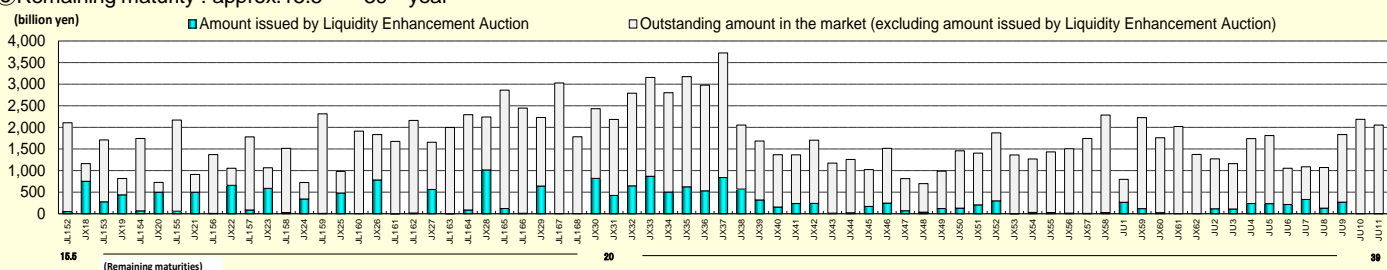
① Remaining maturity : approx. 1 - ~5 - year



② Remaining maturity : approx. 5 - ~15.5 - year



③ Remaining maturity : approx. 15.5 - ~39 - year



Note1 : JN shows 2 - year JGBs. JS shows 5 - year JGBs. JL shows 20 - year JGBs. JX shows 30 - year JGBs. JU shows 40 - year JGBs. Outstanding amount is as of the end of May 2019.
Note2 : All issues in the graph above will be eligible afterward.

10-year Inflation-Indexed

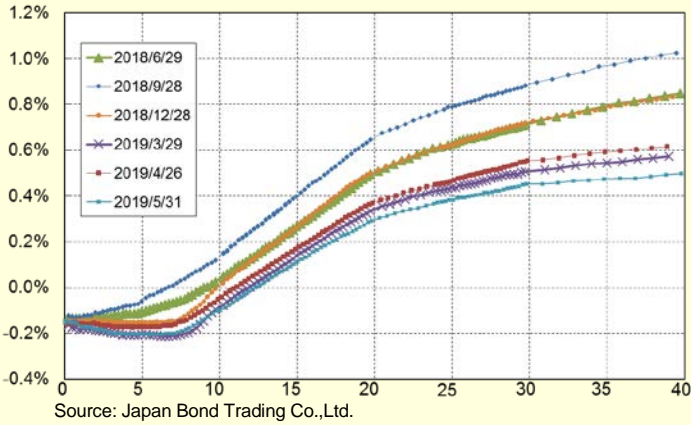
Buy-back Results

(Until 30 June 2019)

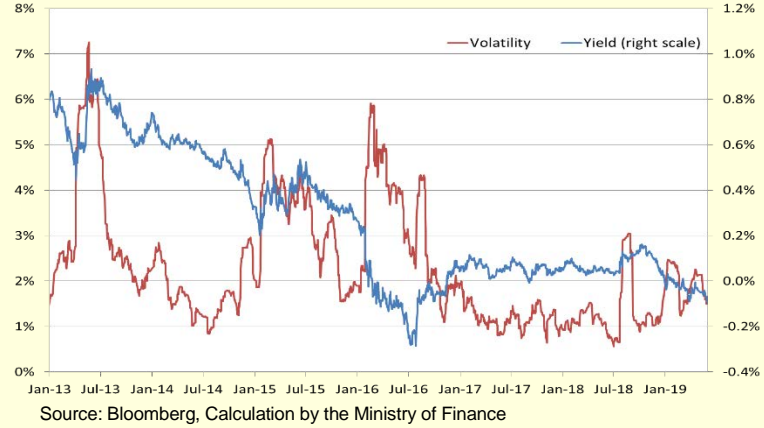
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
12/17/2018	156.4	20.0	▲0.363	▲0.33	22, 23
2/20/2019	129.9	20.1	▲0.035	▲0.02	17, 18, 19, 22, 23
4/19/2019	76.5	20.1	▲0.045	0.00	17, 18, 19, 22, 23
6/17/2019	112.1	20.0	▲0.11	▲0.11	19, 22

JGB Secondary Market

JGB Yield Curves



Yield and Volatility (10Yr) (Until 31 May 2019)



Yields of JGB

(Until 31 May 2019)



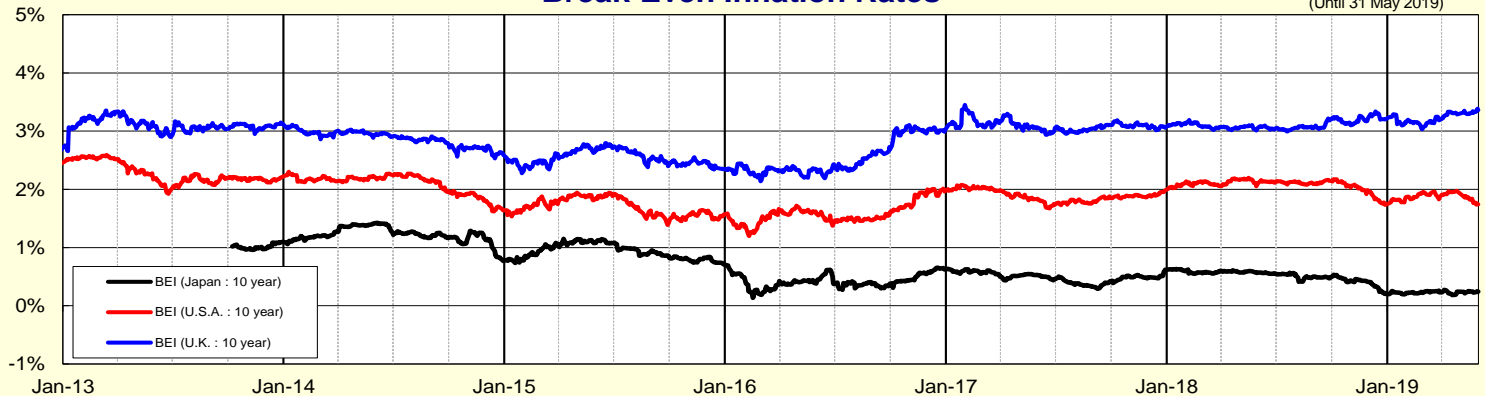
Long - Term Interest Rates (10Yr)

(Until 31 May 2019)



Break-Even Inflation Rates

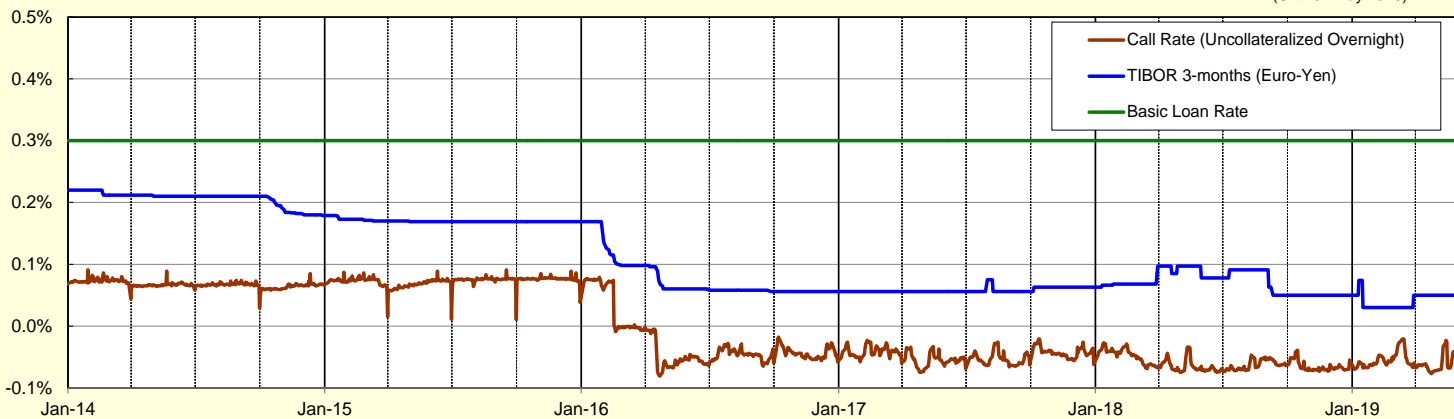
(Until 31 May 2019)



Note: BEI (Japan: 10 year) is calculated based on the compound interest rate of the new Inflation-Indexed Bonds and the 10-Year Bonds
 Source: Japan: Calculation by the Ministry of Finance based on the information on interest rates offered by NIKKEI QUICK.
 U.S.A., U.K.: Bloomberg.

Short-Term Interest Rates

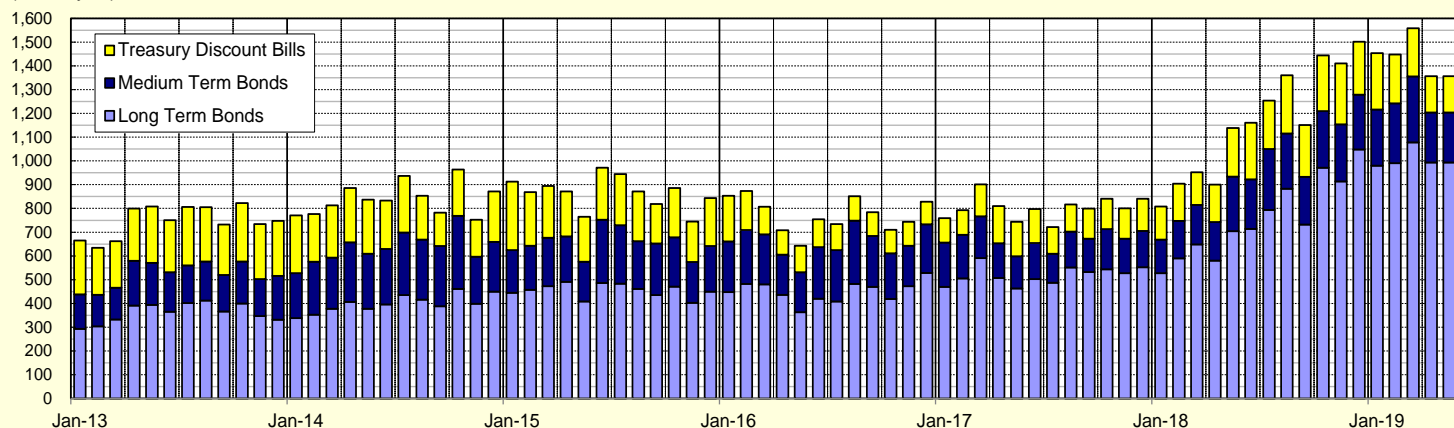
(Until 31 May 2019)



Source: Bank of Japan, Japanese Bankers Association

JGB Over-the-Counter Trading Volume (TOKYO)

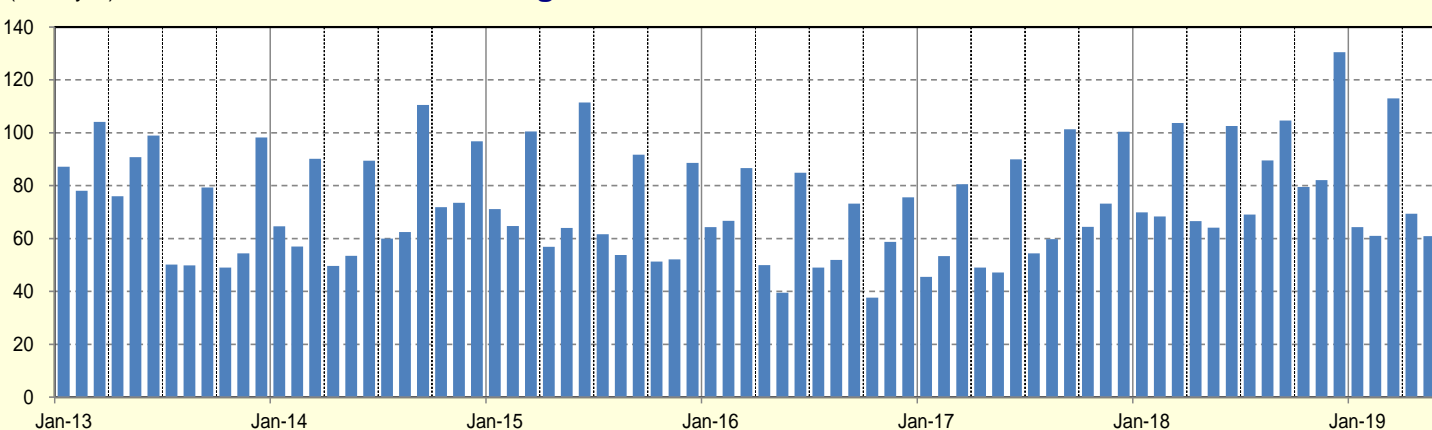
(trillion yen)



Source: Japan Securities Dealers Association

Trading Volume of 10-Year JGB Futures

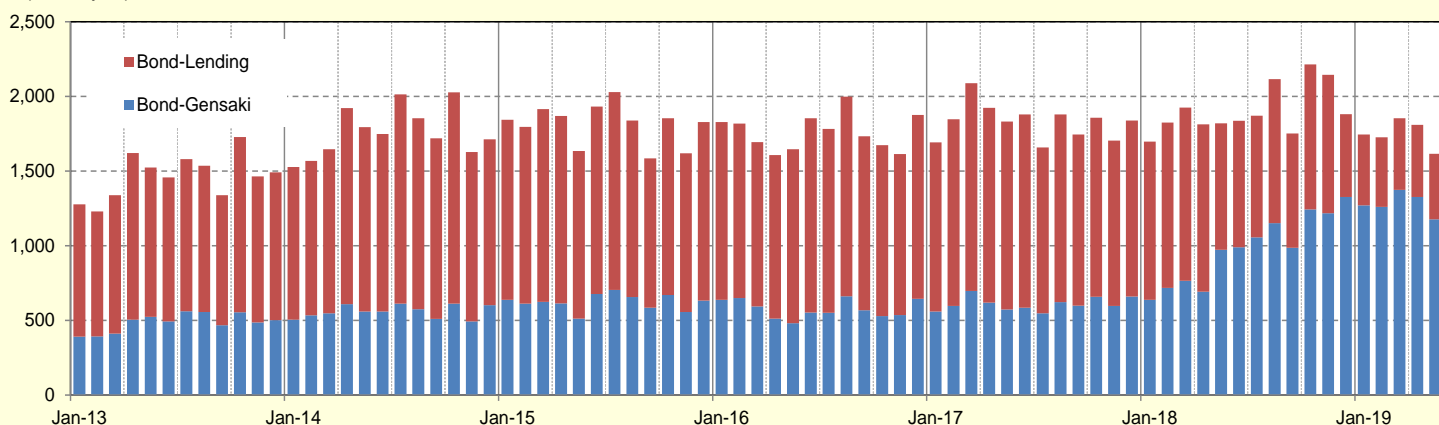
(trillion yen)



Source: Tokyo Stock Exchange (until Mar.2014), Osaka Exchange (from Apr. 2014)

Repurchase Transactions

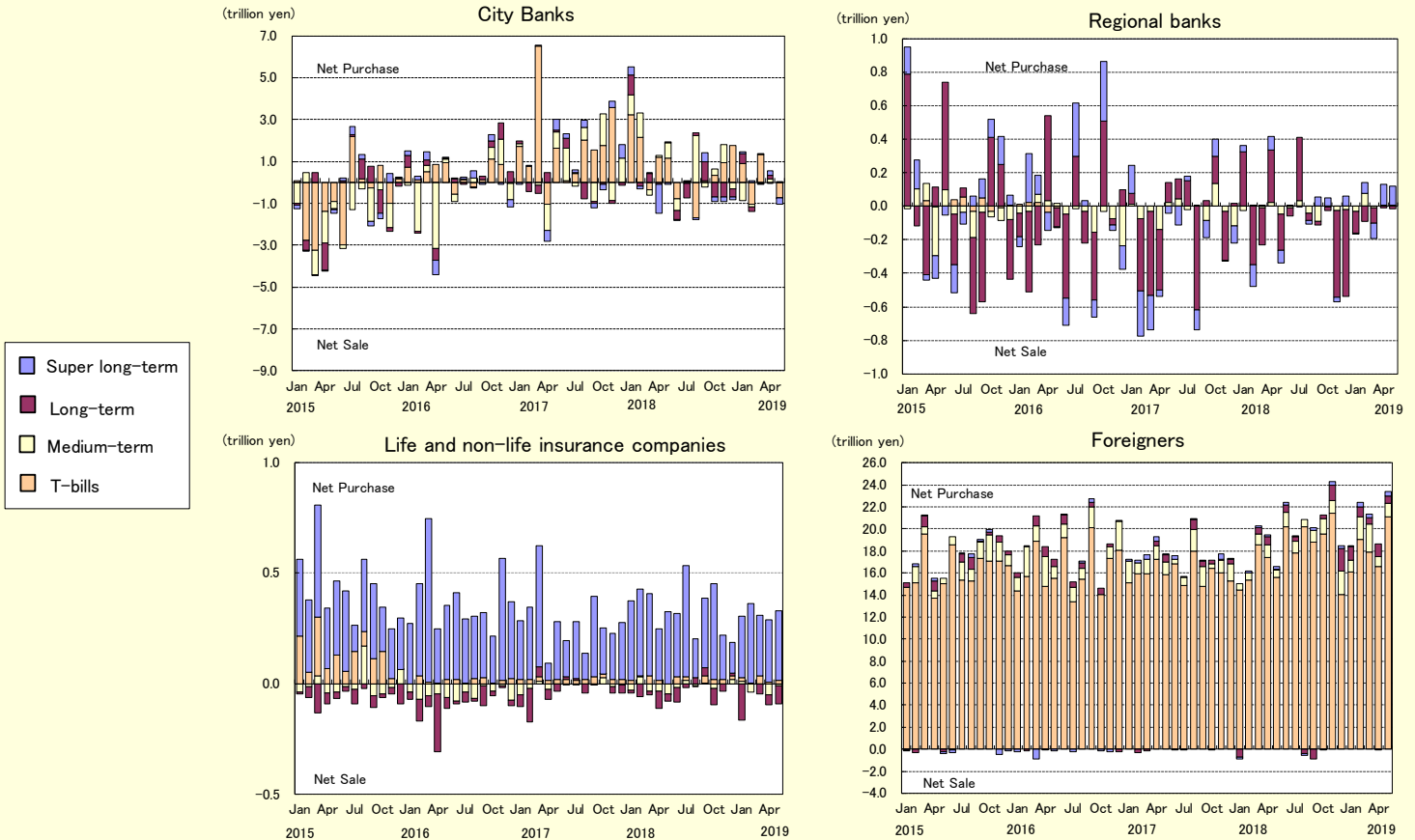
(trillion yen)



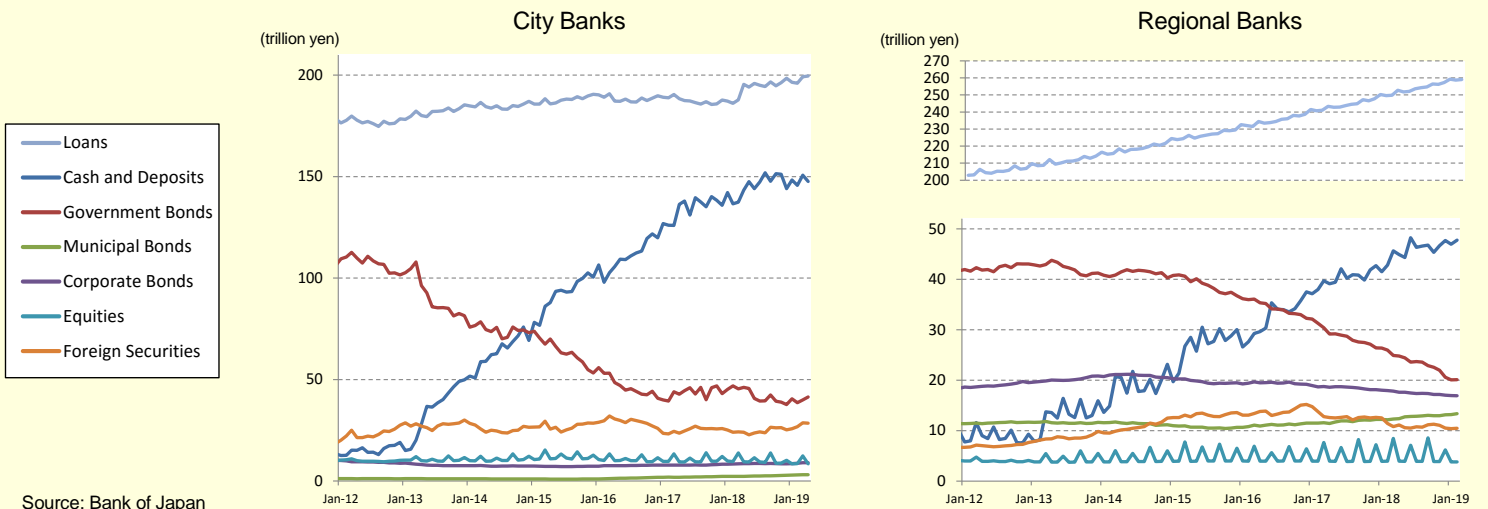
Source: Japan Securities Dealers Association

Investor Trends and JGB Outstanding

Trends in JGBs Transactions (by investor type)



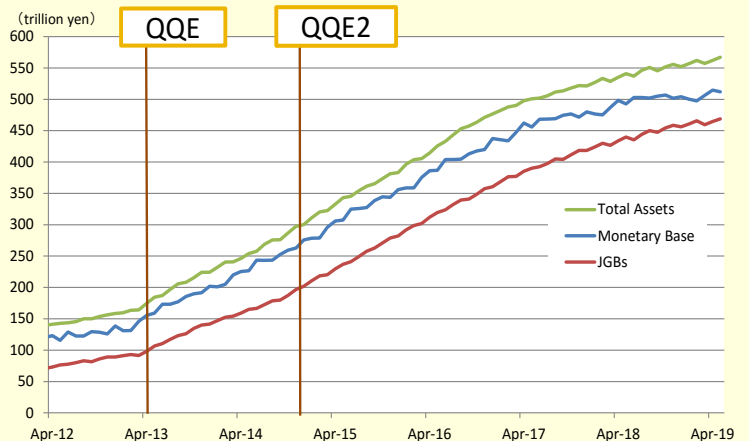
Trends in Bank Assets by Types



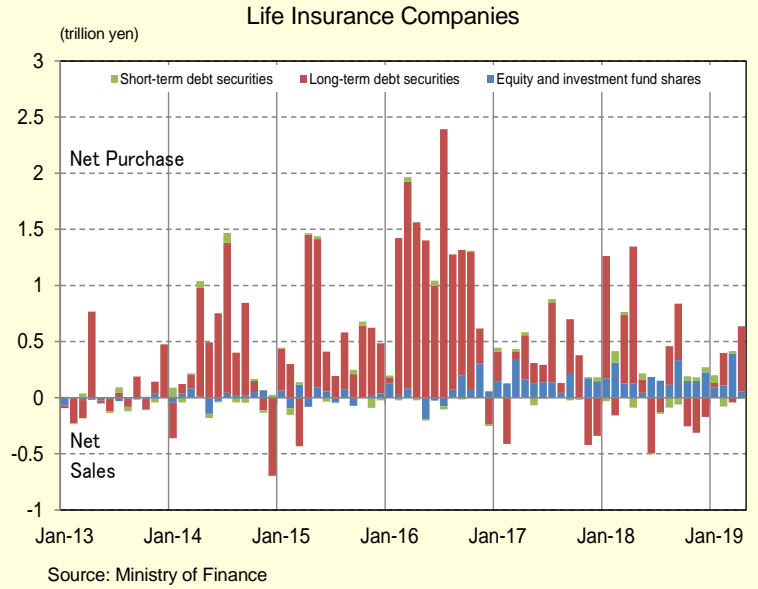
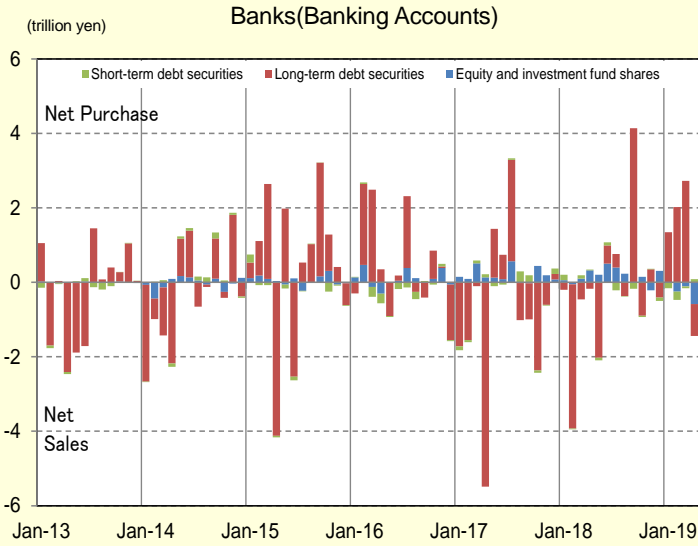
BOJ Trends

	Apr 2013 (Actual)	May 2019 (Actual)
Monetary Base	155	512
JGBs	98	469
CP	1.4	2.2
Corporate Bonds	2.9	3.3
ETFs	1.7	25.6
J-REITs	0.13	0.52
Total Assets	175	567

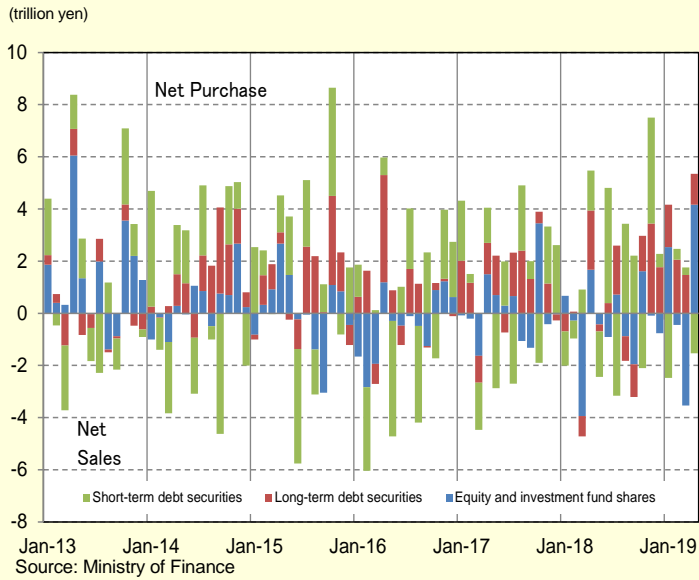
Source: Bank of Japan



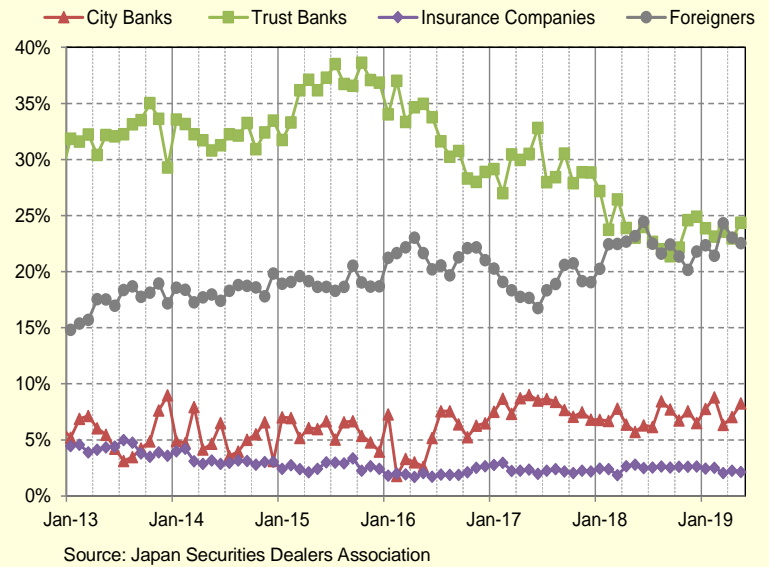
Transactions of Foreign Securities by Residents (by Investor types)



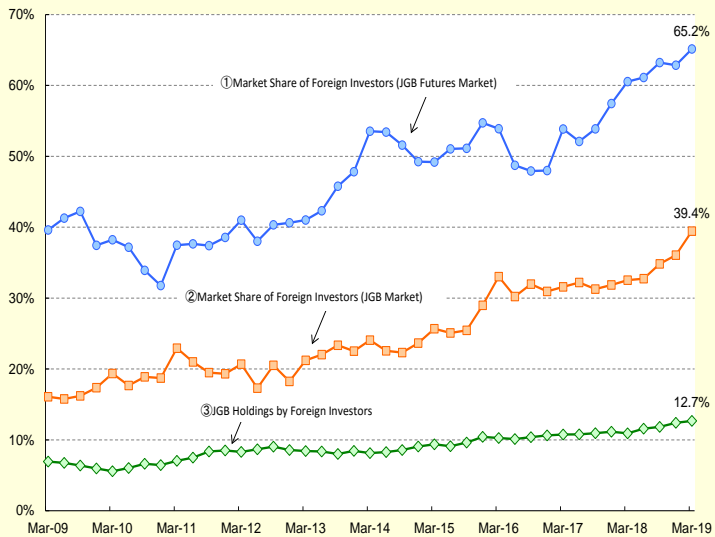
Transactions of Domestic Securities by Non-Residents



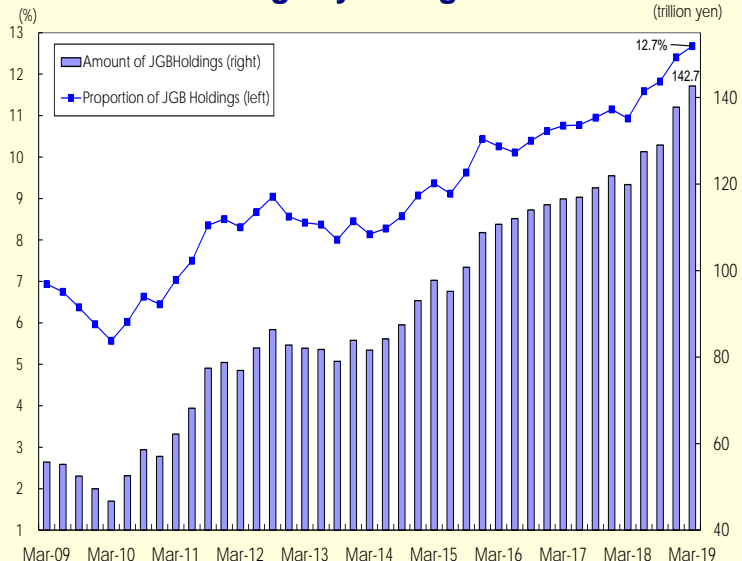
Outstanding of Repurchase Agreements (by Investor types)



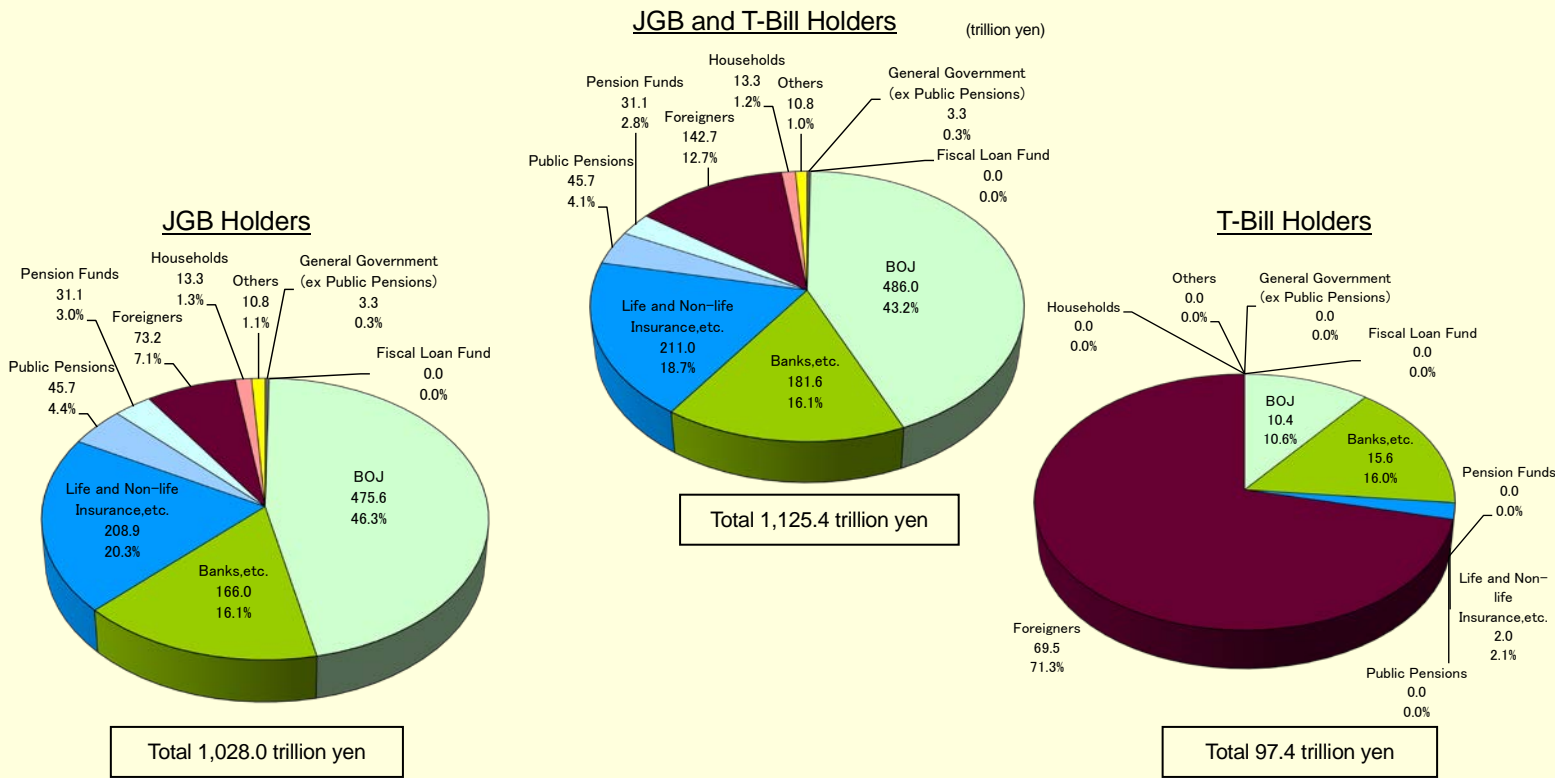
Foreign Investors Presence



JGBs Holdings by Foreign Investors



Breakdown by JGB and T-Bill Holders (The end of Mar. 2019 QE)



Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures)"

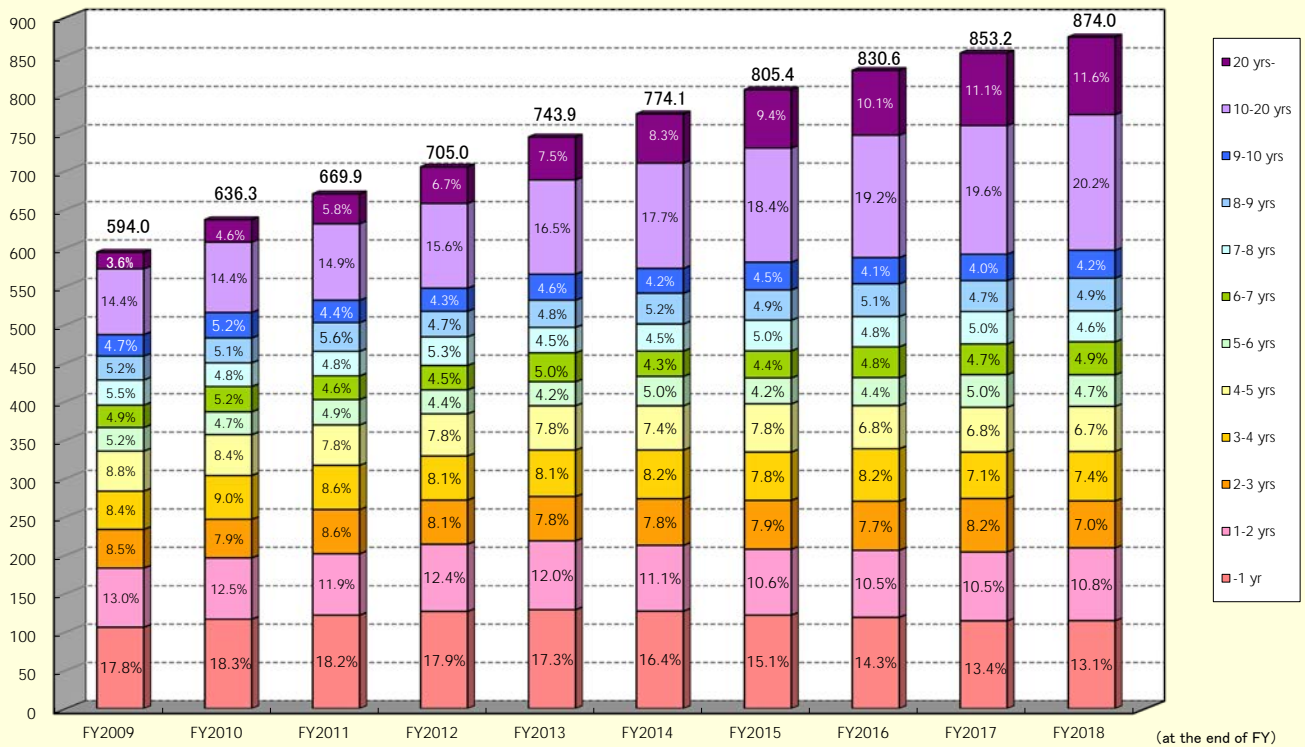
Note1: "JGB" includes "FILP Bonds."

Note2: "Banks, etc." includes "Japan Post Bank," "Securities investment trust" and "Securities companies."

Note3: "Life and Non-life insurance, etc." includes "Japan Post Insurance."

Breakdown of Outstanding Amount of General Bonds by Remaining Years to Maturity

(Unit: trillion yen)

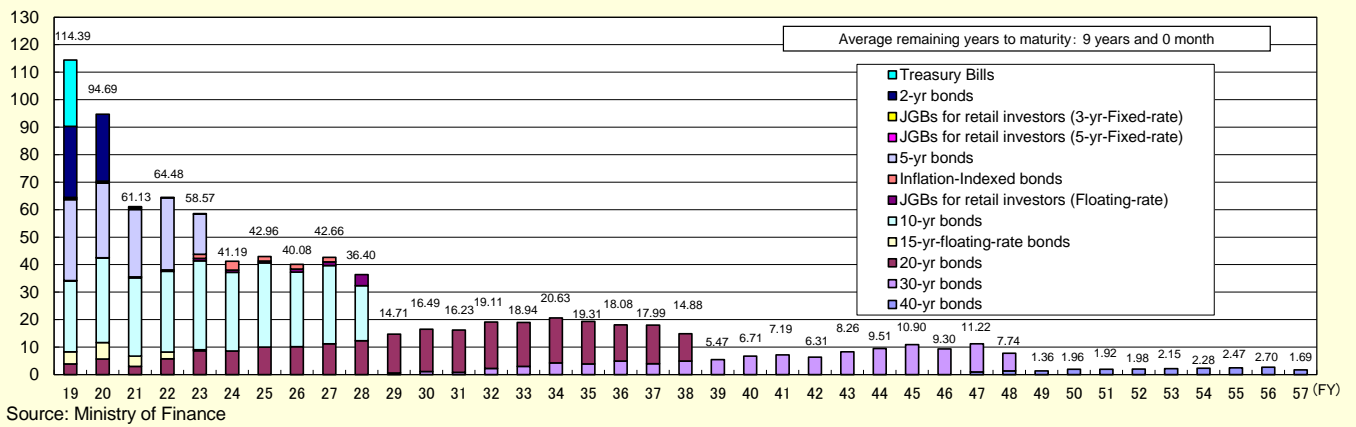


Average YTM*	6Y5M	6Y8M	7Y0M	7Y3M	7Y7M	8Y0M	8Y5M	8Y7M	8Y10M	9Y0M
Average YTM* (excluding saving bonds)	6Y6M	6Y10M	7Y1M	7Y5M	7Y8M	8Y0M	8Y5M	8Y8M	8Y11M	9Y1M

*years to maturity

Time-to-Maturity Structure of Outstanding JGB (Mar. 2019)

(trillion yen)



Source: Ministry of Finance

Scheduled redemption of JGB at maturity in July, 2019

(billion yen)

Types	The amount of redemption at maturity	Scheduled redemption date
15-Year Floating-Rate Bonds	641.4	July 20
2-Year Bonds	2,525.6	July 15
Treasury Bills	1,800.0	July 22
Total	4,967.0	

Note.1: The figures are based on the outstanding JGBs at the end of May, 2019.

Note.2: The figures are the scheduled redemption at maturity and may be different from the actual redemption due to Buy-back of JGBs.

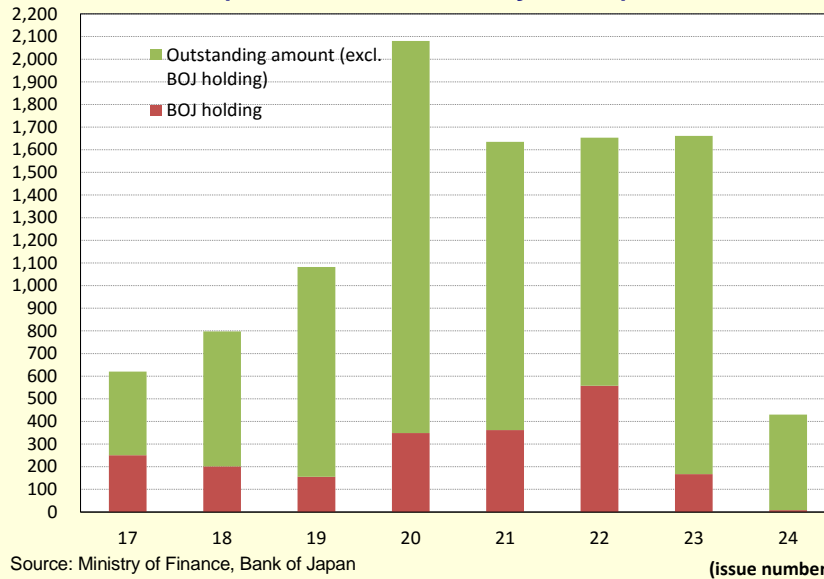
Note.3: The figures do not include "JGB for Retail Investors".

Note.4: If the redemption date coincides with bank holiday, the payment of redemption is carried out on the following business day.

Note.5: Figures may not sum up to total because of rounding.

Market-held Balance of the Inflation-Indexed Bonds (as of the end of May, 2019)

(billion yen)

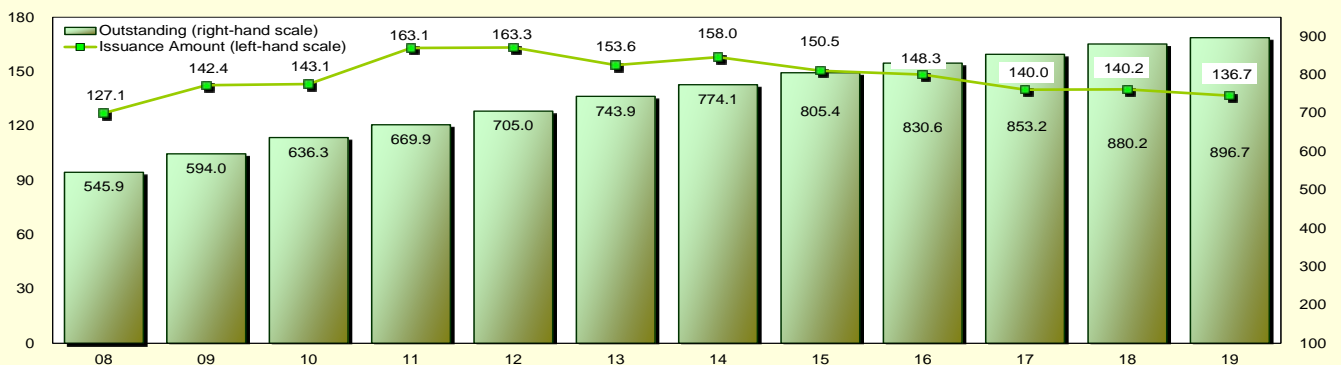


Source: Ministry of Finance, Bank of Japan

(issue number)

General Bonds Issuance Amount and Outstanding

(trillion yen)



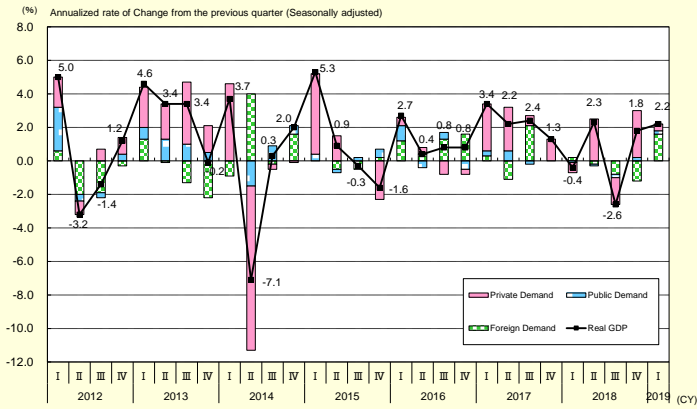
Note 1: Issuance Amount: revenue basis, FY2008-2017: Actual, FY2018: Supplementary budget, FY2019: Initial budget

Note 2: Outstanding: nominal basis, FY2008-2017: Actual, FY2018 Supplementary budget, FY2019: Initial budget

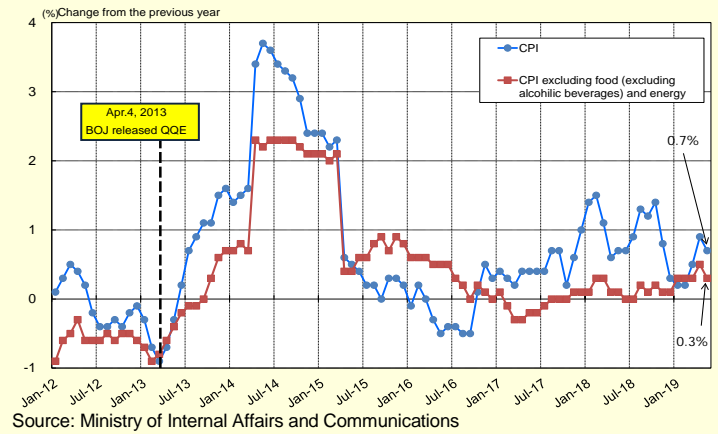
Source: Ministry of Finance

Economic and Financial Trends

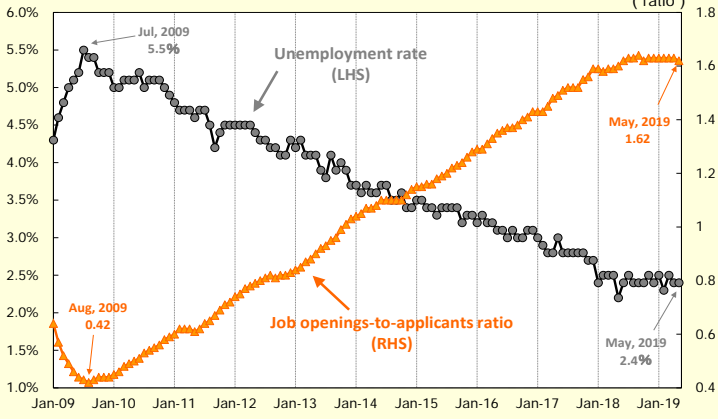
Real GDP Growth Rate



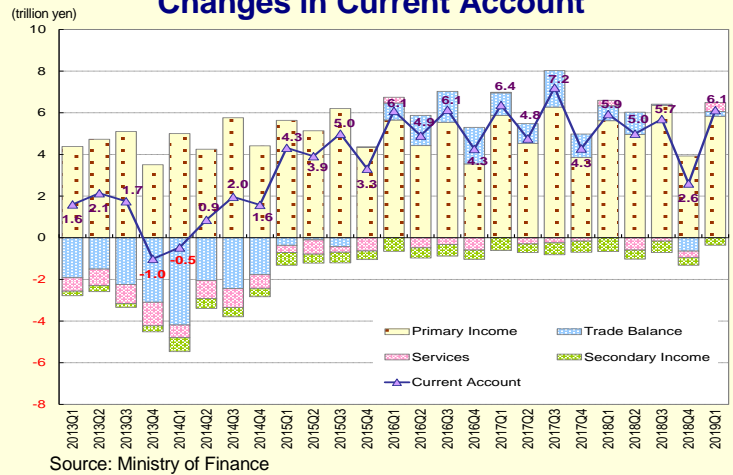
Prices



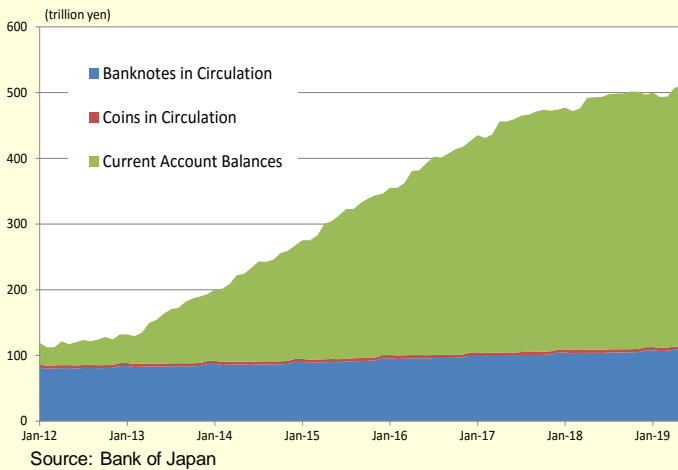
Employment Conditions



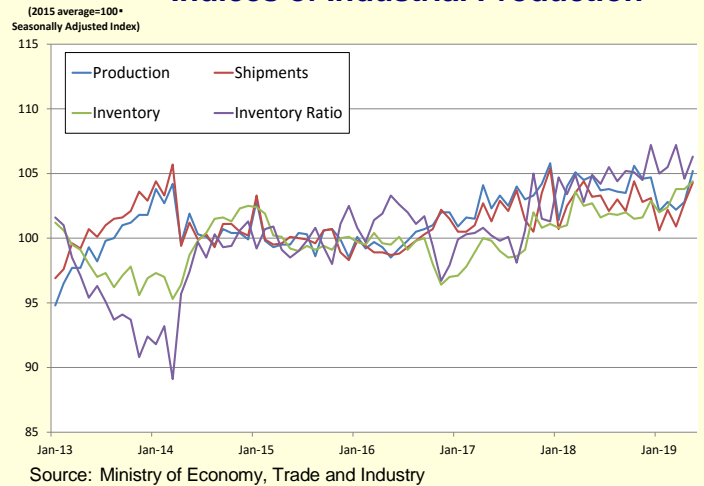
Changes in Current Account



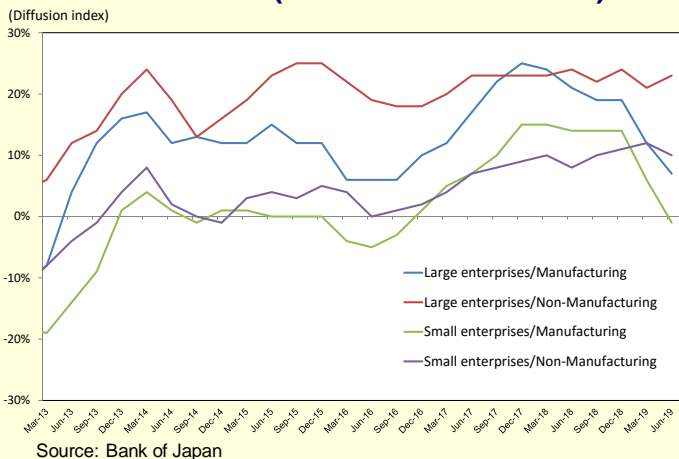
Monetary Base



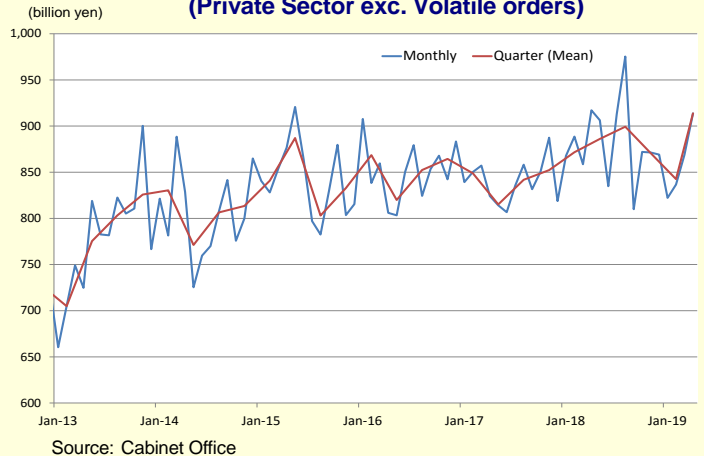
Indices of Industrial Production



TANKAN (Business Conditions)



Total Value of Machinery Orders (Private Sector exc. Volatile orders)



English Publications on JGBs	Frequency	URL
Debt Management		
Message from the Financial Bureau	As needed	https://www.mof.go.jp/english/jgbs/debt_management/message.htm
About JGBs	As needed	https://www.mof.go.jp/english/jgbs/debt_management/guide.htm
About the Debt Management Policy	As needed	https://www.mof.go.jp/english/jgbs/debt_management/about.htm
JGB Issuance Plan	As needed	https://www.mof.go.jp/english/jgbs/debt_management/plan/index.htm
Auction Calendar		
Auction Calendar	Monthly	https://www.mof.go.jp/english/jgbs/auction/calendar/index.htm
Historical Data of Auction Results	Monthly	https://www.mof.go.jp/english/jgbs/auction/past_auction_results/index.html
Topics		
Product Characteristics of the JGB	As needed	https://www.mof.go.jp/english/jgbs/topics/bond/index.html
Treasury Discount Bills (T-Bills)	As needed	https://www.mof.go.jp/english/jgbs/topics/t_bill/index.htm
Japanese Government Guaranteed Bonds	Annual	https://www.mof.go.jp/english/jgbs/topics/gov_quaranteed_bonds/index.htm
Interest Rate Swap	Semiannual	https://www.mof.go.jp/english/jgbs/topics/swap/index.htm
Taxation of Government Bonds	As needed	https://www.mof.go.jp/english/jgbs/topics/taxation2016/index.html
For Individual Investors	As needed	https://www.mof.go.jp/english/jgbs/topics/individual/index.htm
Data		
Central Government Debt	Quarterly	https://www.mof.go.jp/english/jgbs/reference/gbb/index.htm
Interest Rate	Daily	https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm
STRIPS	Monthly	https://www.mof.go.jp/english/jgbs/reference/jgbstat/index.htm
Dialogue with the market		
Advisory Councils on Government Debt Management	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/gov_debt_management/index.html
Meeting of JGB Market Special Participants	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/jgbsp/index.html
Meeting of JGB Investors	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/jgb_investor/index.html
Publications		
Debt Management Report	Annual	https://www.mof.go.jp/english/jgbs/publication/debt_management_report/index.htm
JGB Newsletter	Monthly	https://www.mof.go.jp/english/jgbs/publication/newsletter/index.htm

To subscribe to our Newsletter mailing list,
please email: JGB-IR@mof.go.jp

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