

Our fundamental goal of debt management policy is to achieve stable and smooth financing for our national accounts and to minimize medium-to-long term financing costs.

### SUMMARY

#### **What's New: Central Government Debt (As of December 31, 2019) p.2**

- ✓ On February 10, the Ministry of Finance released the update on central government debt. Outstanding government bonds and borrowings increased to 1,110.8 trillion yen from the end of September (1,104.9 trillion yen) by 5.9 trillion yen.

#### **Q&A: JGB Investor base p.3**

- ✓ Kokusai Sensei explains the investor base of JGBs.

#### **Monthly Topics: GDP and Economic and Fiscal Projections, etc. p.4-6**

- ✓ The second preliminary GDP estimate (Oct.–Dec. 2019) was released on March 9. Real GDP contracted by 1.8% (annual rate -7.1%) from the previous quarter.
- ✓ English version Executive Summary of “Economic and Fiscal Projections for Medium to Long term Analysis” published by the Cabinet Office is now available online.

#### **IR Office: “*Hina-matsuri*”, a special day in Japan celebrated on March 3 p.7**

- ✓ A brief introduction of the Japanese event called “*Hina-matsuri*” to celebrate the healthy growth of girls in hope of their happy future.

#### **Statistics**

<u>JGB Primary Market</u> ... p. 8	<u>Liquidity Enhancement Auctions and JGB Buy-Back</u> ... p.9
<u>JGB Secondary Market</u> ... p. 10	<u>Investor Trends and JGB Outstanding</u> ... p. 12
<u>Economic and Financial Trends</u> ... p. 16	<u>Information</u> ... p. 17

**The Ministry of Finance**

[www.mof.go.jp](http://www.mof.go.jp)

# What's New

## Central Government Debt (As of December 31, 2019)

On February 10, the Ministry of Finance released the update on central government debt. Debt outstanding and composition as of the end of December 2019 are as follows:

### <Main Points>

- Outstanding government bonds and borrowings increased to 1,110.8 trillion yen from the end of September (1,104.9 trillion yen) by 5.9 trillion yen. The total amount for general bonds increased by 7.9 trillion yen while FILP bonds decreased by 3.4 trillion yen, FBs decreased by 0.5 trillion yen. Besides, others including borrowings increased by 1.8 trillion yen.
- Long-term outstanding central government debt, which does not include FILP bonds, FBs and some of the borrowings related to local governments, increased to 915.0 trillion yen from the end of September (906.9 trillion yen) .

### Central Government Debt

(trillion yen)

	The end of December 2019 (Actual)	Increase or Decrease(-) from the End of the Previous Quarter
<b><u>1) Outstanding Government Bonds and Borrowings</u></b>		
General Bonds	887.9	7.9
Fiscal Investment and Loan Program Bonds (FILP Bonds)	89.3	-3.4
Borrowings, Subsidy Bonds, etc.	62.6	1.8
Financing Bills (FBs)	71.1	-0.5
<b>Total</b>	<b>1,110.8</b>	<b>5.9</b>
<b><u>2) Outstanding Government-Guaranteed Debts</u></b>		
Government-Guaranteed Debts	36.9	-0.2

#### Notes:

1. Figures may not sum up to the total because of rounding.
2. Above "Outstanding Government Bonds and Borrowings" includes government bonds and borrowings held by government.
3. Figures are total of the general account and all special accounts, and the coverage is different from the central government defined in SNA.
4. The data as of March 31, 2020 will be released on May 8, 2020.

Details: <https://www.mof.go.jp/english/jgbs/reference/gbb/e201912.html>

### (Reference) Long-term debt outstanding of central and local governments

The MOF has announced the "Long-term debt outstanding of central and local governments" whose interest payments and redemption funds are mainly to be covered by tax revenues, from the viewpoint of transparency of fiscal management. The statistics are derived by adding the long-term debt outstanding of local governments to the above mentioned Central Government Debt, while excluding Fiscal Investment and Loan Program Bonds and Financing Bills.

(trillion yen)

	The end of Dec. 2019 (Actual)	Increase or Decrease(-) from the End of the Previous Quarter	The end of FY2019 (Estimate)
① General Bonds	887.9	7.9	Approx. 898
② Fiscal Investment and Loan Program Bonds	Not included	Not included	Not included
③ Borrowings, Subsidy Bonds, etc. (Note 1)	27.2	0.2	Approx. 27
④ Financing Bills	Not included	Not included	Not included
<b>Long-term debt outstanding of central governments</b>	<b>915.0</b>	<b>8.1</b>	<b>Approx. 925</b>
⑤ Long-term debt outstanding of local governments	(Note 2)		Approx. 192
<b>Long-term debt outstanding of central and local governments</b>	<b>(Note 2)</b>		<b>Approx. 1,117</b>

Note 1: The borrowings of the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax (end of FY2019: approx. ¥31 trillion) are included in "⑤ Long-term debt outstanding of local governments" because the burden of redemption funds falls on local governments.

Note 2: The actual figure of "⑤ Long-term debt outstanding of local governments" is blank, because quarterly data has not been created.

# Q&A: JGB Investor base



Today, I would like to touch on the investor base of JGBs, as we have received questions on this topic from various investors so far.

Kokusai Sensei

## Q. How has the domestic and overseas investor base of JGBs changed in recent years? Is there any target level for foreign investors' holdings?

A. Since the end of March 2013, possession of JGBs by the Bank of Japan and foreign investors has been increasing, while domestic banks' share has been decreasing. The Ministry of Finance, Japan does not set any numerical target for foreign investors' holdings of JGBs. The important thing is to diversify the investor base, and the ministry makes efforts to enhance relations with foreign investors through IR activities.

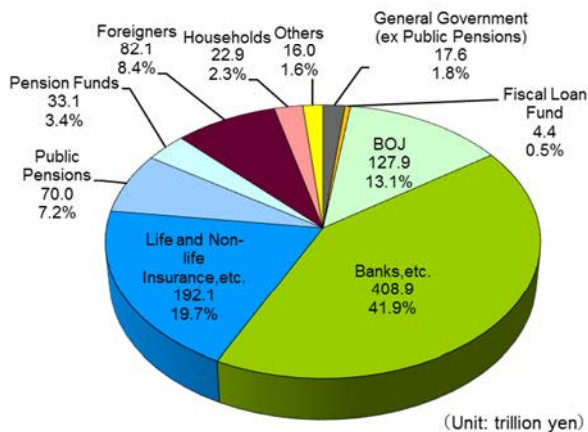
### Increased

- Bank of Japan + 366.7 trillion yen
- Foreigners + 62.6 trillion yen

### Decreased

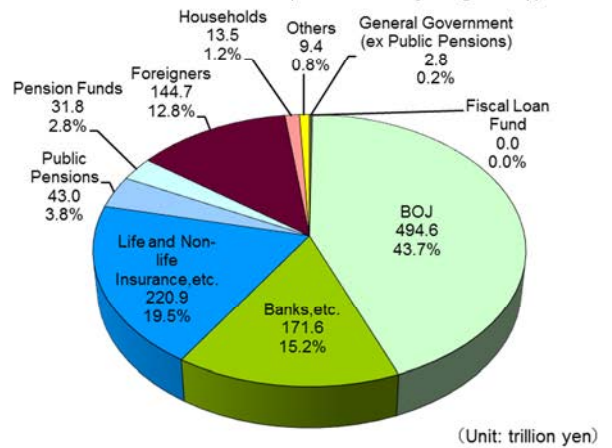
- Banks, etc. -237.3 trillion yen
- Public Pensions -27.0 trillion yen

(The end of Mar. 2013)



Total 974.8 trillion yen

(The end of Dec. 2019(Preliminary Figures))



Total 1,132.2 trillion yen



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

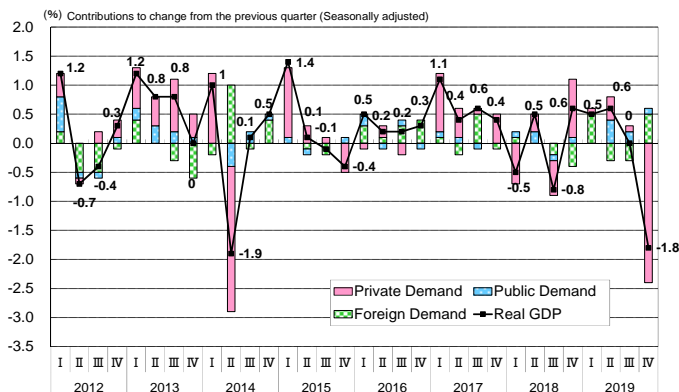
# Monthly Topics

## 1. Quarterly Estimates of GDP Oct.–Dec. 2019

The second preliminary GDP estimate (Oct.–Dec. 2019) was released on March 9. Real GDP contracted by 1.8% (annual rate -7.1%) from the previous quarter. This was mainly due to the decline in private demand that contributed minus 2.4% points. On the other hand, there was a support from Net exports of goods and services that contributed 0.5% points.

By demand item, private consumption declined by 2.8% and private non-residential investment declined by 4.6% from the previous quarter.

**Development of Real GDP**  
(Quarterly, seasonally adjusted series)



Source: Cabinet Office

	Note 1				Note 2	
	2018	2019	2019	2019	2019	2019
Gross Domestic Product	10~12	1~3	4~6	7~9	10~12	10~12
	0.6	0.5	0.6	0.0	-1.8	***
-7.1						
Domestic Demand	1.1	0.1	0.8	0.3	-2.3	***
	(1.0)	(0.1)	(0.8)	(0.3)	***	(-2.3)
-8.8						
Private Demand	1.3	0.1	0.6	0.1	-3.2	(-2.4)
	0.4	0.0	0.6	0.5	-2.8	(-1.5)
-10.6						
Private Consumption	0.4	-0.0	0.5	0.4	-2.9	(-1.6)
	0.4	-0.1	0.6	0.4	-3.5	(-1.6)
-11.1						
Consumption of Households	1.7	1.5	-0.2	1.2	-2.5	(-0.1)
	1.7	1.5	-0.2	1.2	-2.5	(-0.1)
-9.7						
Private Residential Investment	4.4	-0.4	0.8	0.2	-4.6	(-0.7)
	4.4	-0.4	0.8	0.2	-4.6	(-0.7)
-17.3						
Change in Private Inventories	(0.0)	(0.1)	(-0.0)	(-0.2)	***	(0.0)
	(0.0)	(0.1)	(-0.0)	(-0.2)	***	(0.0)
***						
Public Demand	0.3	0.1	1.7	0.8	0.3	(0.1)
	0.3	0.1	1.7	0.8	0.3	(0.1)
1.4						
Government Consumption	0.7	-0.4	1.7	0.7	0.2	(0.0)
	0.7	-0.4	1.7	0.7	0.2	(0.0)
0.9						
Public Investment	-1.1	2.1	1.7	1.1	0.7	(0.0)
	-1.1	2.1	1.7	1.1	0.7	(0.0)
2.8						
Change in Public Inventories	(-0.0)	(-0.0)	(0.0)	(-0.0)	***	(0.0)
	(-0.0)	(-0.0)	(0.0)	(-0.0)	***	(0.0)
***						
Net Exports of Goods & Services	(-0.4)	(0.5)	(-0.3)	(-0.3)	***	(0.5)
	(-0.4)	(0.5)	(-0.3)	(-0.3)	***	(0.5)
***						

Note 1: Change from the previous quarter (seasonally adjusted)  
 Note 2: Annualized  
 Note 3: The Figures in () indicate contributions to changes in GDP.  
 Source: Cabinet Office

For more detailed data, please refer to the following:

Quarterly Estimates of GDP: [https://www.esri.cao.go.jp/en/sna/data/sokuhou/files/2019/toukei\\_2019.html](https://www.esri.cao.go.jp/en/sna/data/sokuhou/files/2019/toukei_2019.html)

## 2. Economic and Fiscal Projections for Medium to Long term Analysis (Jan. 17, 2020)

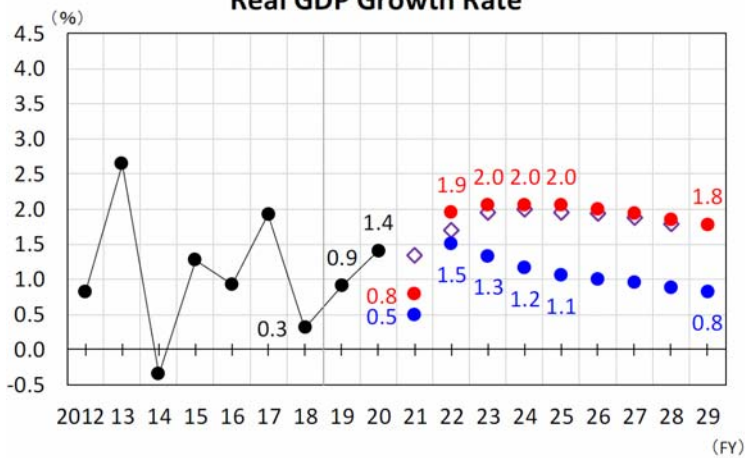
On January 17, 2020, the Cabinet Office submitted its “Economic and Fiscal Projections for Medium to Long term Analysis” to the Council on Economic and Fiscal Policy.

Summary of the results of its analysis is as follows:

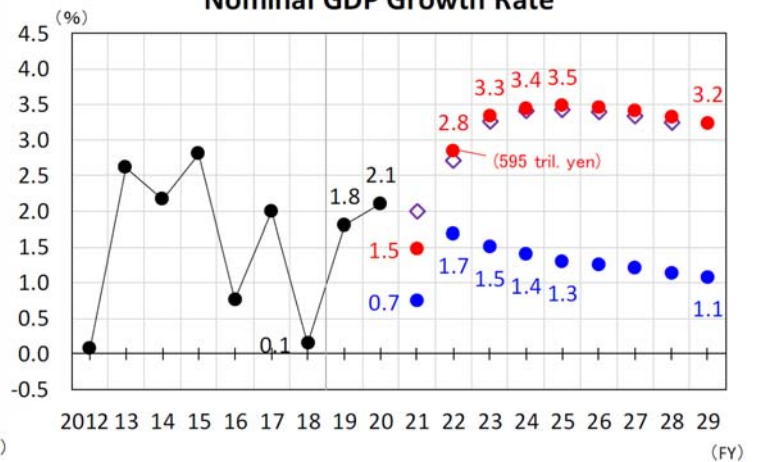
### Projections of the Macro Economy

- While downside risks originating from overseas economies are currently seen, the “Comprehensive Economic Measures to Create a Future with Security and Growth” not only boost demand in the short term but ensure sustainable economic growth mainly led by private demand.
- As a result, the GDP growth rate is projected to achieve around 2% in real terms and over around 3% in nominal terms in the early 2020s in the Economic Growth Achieved Case.

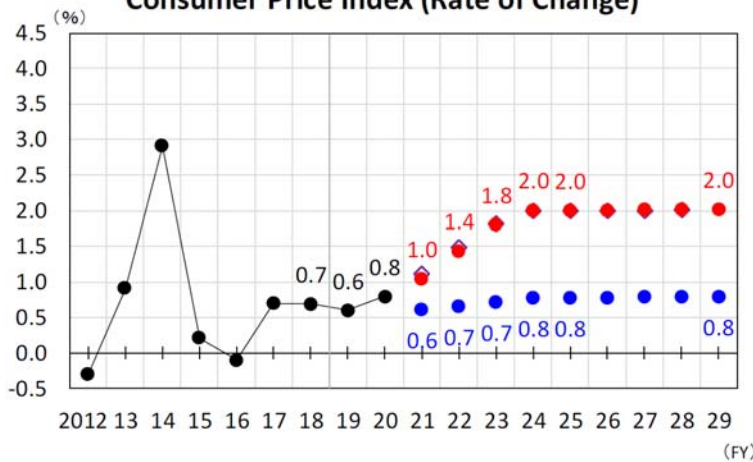
Real GDP Growth Rate



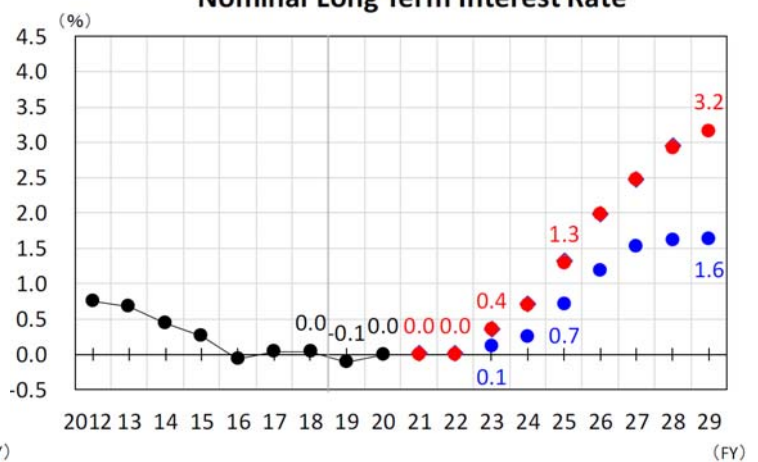
Nominal GDP Growth Rate



Consumer Price Index (Rate of Change)



Nominal Long Term Interest Rate



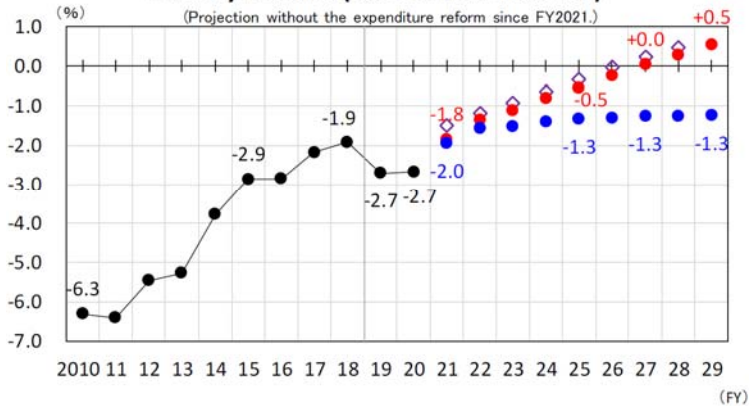
● Economic Growth Achieved Case    ● Baseline Case    ◆ Economic Growth Achieved Case (July, 2019)

(Source) Cabinet Office

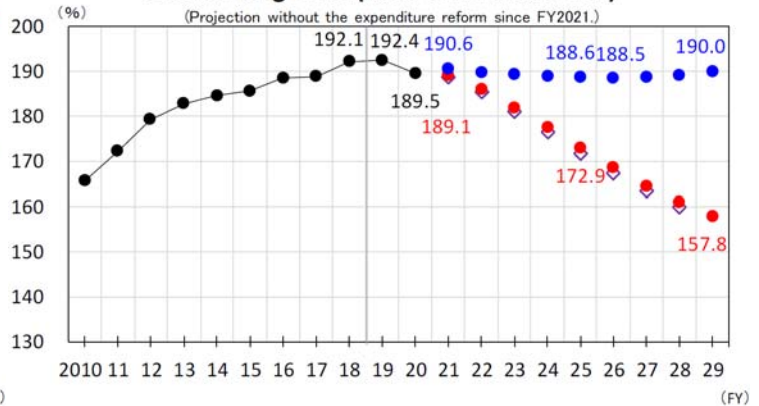
## Projections of the Central and Local Governments' Public Finances

- The primary deficit to nominal GDP improved to 1.9% in FY2018. In FY2019 and FY2020, the deficit makes a downturn while the deceleration in tax revenues stemming from a slowdown of the world economy comes up. After then, it is projected to improve with the sustainable economic growth in the Economic Growth Achieved Case. Without the expenditure reforms from FY2021, the primary balance is projected to turn to surplus in FY2027. By implementing the expenditure reforms soundly, achieving the target of the primary surplus by FY2025 will come into view. The ratio of outstanding debt to GDP is projected to decline steadily in the periods of the projection.

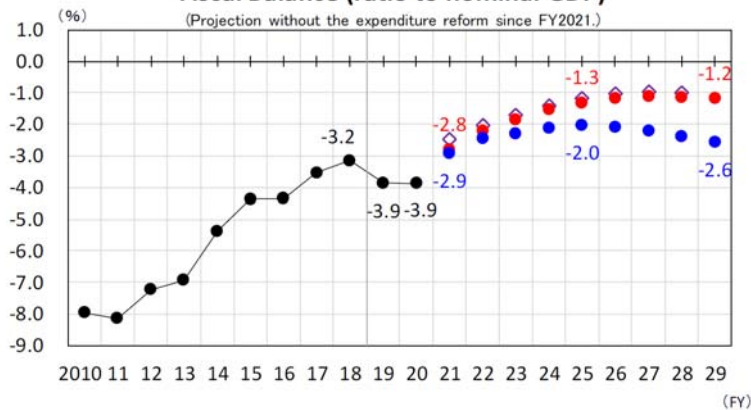
**Primary Balance (ratio to nominal GDP)**



**Outstanding Debt (ratio to nominal GDP)**



**Fiscal Balance (ratio to nominal GDP)**



- Economic Growth Achieved Case
- Baseline Case
- ◇ Economic Growth Achieved Case (July, 2019)

(\*) It should be noted that the existing bonds issued at lower interest rates will be refinanced at higher interest rates sequentially with the long term nominal interest rate rising.

(Source) Cabinet Office

For more details, see: <https://www5.cao.go.jp/keizai3/projection-e.html>

In Japan, people celebrate "Hina-matsuri," also called Girls' Day, on March 3.

Graceful dolls dressed in ancient costumes are displayed on a doll-stand decorated with cherry blossoms, peach blossoms, small ball-shaped rice crackers called "hina-arare" and lozenge-shaped rice cakes called "hishi-mochi" to



celebrate the healthy growth of girls in hope of their happy future. This event is also called "Momo-no-sekku." The word "sekku" stands for a "turn of the season" and Japanese people held various events on each "sekku" for centuries to pray for sound health, good harvests, prosperity of their descendants and so on. There are five typical "sekku": "Gantan" on January 1, "Joshi-no-sekku" on March 3, "Tango-no-sekku" on May 5, "Tanabata" on July 7, and "Chouyou" on September 9. It is said that people believed that peaches could protect one against evil, hence they started to call it "Momo-no-sekku," with "Momo" meaning "peach."

Among the financial products that the Ministry of Finance, Japan provides, there is a type of JGBs that some individuals are purchasing in order to prepare for the healthy growth of their children. This type is the JGBs for Retail Investors. They are designed not to lose principal and can be purchased in a minimum unit of 10,000 yen, making them safe and easy. The message on the advertisement below reads "There is *ai* (love) in *kokusai* (Government Bonds)." We would like to continue issuing the JGBs for Retail Investors wishing that they can be a gift for future generations.



Note: There are various theories explaining the origin of the term "Momo-no-sekku."

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

## Auction Results (Bonds)

(Until 29 February 2020)

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)
12/3/2019	10-year	356	9/20/2029	0.1%	5,679.7	1,730.1	▲0.026%	▲0.042%	0.332	369.3	0.0
12/5/2019	30-year	64	9/20/2049	0.4%	2,108.7	571.6	0.432%	0.430%	-	128.0	102.9
12/10/2019	5-year	141	9/20/2024	0.1%	6,255.8	1,555.4	▲0.066%	▲0.083%	-	344.1	283.9
12/17/2019	20-year	170	9/20/2039	0.3%	3,026.9	737.4	0.289%	0.286%	-	162.0	128.1
12/24/2019	2-year	408	1/1/2022	0.1%	7,762.9	1,656.0	▲0.095%	▲0.098%	-	343.5	257.7
1/7/2020	10-year	357	12/20/2029	0.1%	6,343.6	1,712.6	▲0.003%	▲0.005%	0.265	386.1	72.4
1/9/2020	30-year	65	12/20/2049	0.4%	2,087.2	571.0	0.433%	0.430%	-	128.0	0.0
1/15/2020	5-year	142	12/20/2024	0.1%	6,991.9	1,560.3	▲0.087%	▲0.087%	-	338.8	189.2
1/17/2020	20-year	171	12/20/2039	0.3%	2,818.5	736.3	0.305%	0.300%	-	162.8	0.0
1/28/2020	40-year	12	3/20/2059	0.5%	1,143.2	399.2	0.400%	-	-	-	5.0
1/30/2020	2-year	409	2/1/2022	0.1%	7,326.5	1,632.1	▲0.147%	▲0.147%	-	367.6	198.9
2/4/2020	10-year	357	12/20/2029	0.1%	6,158.0	1,694.3	▲0.049%	▲0.051%	0.265	404.7	171.3
2/6/2020	30-year	65	12/20/2049	0.4%	2,107.7	565.0	0.428%	0.426%	-	134.4	2.2
2/12/2020	10-year Inflation-Indexed Bonds	24	3/10/2029	0.1%	1,499.9	399.5	▲0.150%	-	-	-	15.8
2/18/2020	5-year	142	12/20/2024	0.1%	6,918.6	1,540.4	▲0.142%	▲0.144%	-	358.4	188.9
2/20/2020	20-year	171	12/20/2039	0.3%	2,894.6	726.3	0.234%	0.232%	-	172.8	70.7
2/28/2020	2-year	410	3/1/2022	0.1%	7,450.5	1,622.8	▲0.241%	▲0.241%	-	377.1	197.3

## Auction Results (Treasury Discount Bills)

(Until 29 February 2020)

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)
12/6/2019	3-month	874	3/16/2020	10,043.10	3,527.09	▲0.0986%	▲0.1187%	792.90
12/9/2019	6-month	875	6/10/2020	8,749.80	1,983.45	▲0.0996%	▲0.1036%	316.50
12/13/2019	3-month	876	3/23/2020	14,670.50	3,527.54	▲0.1154%	▲0.1284%	792.40
12/18/2019	1-year	877	12/21/2020	6,578.30	1,617.88	▲0.1053%	▲0.1172%	282.10
12/20/2019	3-month	878	3/30/2020	12,929.20	3,557.38	▲0.0893%	▲0.1061%	782.60
1/7/2020	3-month	879	4/6/2020	12,314.30	3,552.47	▲0.0984%	▲0.1086%	787.50
1/9/2020	6-month	880	7/10/2020	9,028.50	1,883.57	▲0.1162%	▲0.1182%	416.40
1/10/2020	3-month	881	4/13/2020	11,710.90	3,551.40	▲0.1074%	▲0.1175%	788.55
1/16/2020	1-year	882	1/20/2021	6,124.70	1,551.35	▲0.1215%	▲0.1254%	348.60
1/17/2020	3-month	883	4/20/2020	12,755.50	3,552.41	▲0.1122%	▲0.1170%	787.50
1/24/2020	3-month	884	4/27/2020	12,048.70	3,541.44	▲0.1162%	▲0.1222%	798.50
1/31/2020	3-month	885	5/7/2020	12,352.70	3,662.84	▲0.1203%	▲0.1257%	777.10
2/6/2020	6-month	886	8/11/2020	8,082.07	2,110.54	▲0.1375%	▲0.1395%	489.40
2/7/2020	3-month	887	5/11/2020	12,167.84	3,619.84	▲0.1323%	▲0.1367%	820.10
2/14/2020	3-month	888	5/18/2020	10,964.16	3,612.24	▲0.1222%	▲0.1283%	827.70
2/19/2020	1-year	889	2/22/2021	6,543.70	1,550.88	▲0.1436%	▲0.1465%	349.10
2/21/2020	3-month	890	5/25/2020	11,955.55	3,602.64	▲0.1216%	▲0.1285%	837.30
2/28/2020	3-month	891	6/1/2020	13,521.96	3,865.06	▲0.1343%	▲0.1391%	874.90

## Auction Calendar for Mar. 2020 – May 2020

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
3/3(Tue)	10-year	3/27(Fri)	T-Bills (3-month)	4/21(Tue)	20-year	5/19(Tue)	T-Bills (1-year)
3/5(Thu)	30-year	3/31(Tue)	2-year	4/23(Thu)	2-year	5/20(Wed)	20-year
3/6(Fri)	T-Bills (3-month)	4/2(Thu)	10-year	4/24(Fri)	T-Bills (3-month)	5/22(Fri)	T-Bills (3-month)
3/9(Mon)	T-Bills (6-month)	4/3(Fri)	T-Bills (3-month)	5/1(Fri)	T-Bills (3-month)	5/22(Fri)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
3/10(Tue)	5-year	4/7(Tue)	30-year	5/1(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	5/26(Tue)	40-year
3/12(Thu)	20-year	4/9(Thu)	T-Bills (6-month)	5/7(Thu)	T-Bills (6-month)	5/28(Thu)	2-year
3/13(Fri)	T-Bills (3-month)	4/9(Thu)	5-year	5/8(Fri)	T-Bills (3-month)	5/29(Fri)	T-Bills (3-month)
3/16(Mon)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	4/10(Fri)	T-Bills (3-month)	5/8(Fri)	10-year Inflation-Indexed Bonds		
3/17(Tue)	T-Bills (1-year)	4/14(Tue)	Liquidity Enhancement Auction (remaining maturities of 15.5-30 years)	5/12(Tue)	10-year		
3/18(Wed)	T-Bills (3-month)	4/16(Thu)	T-Bills (1-year)	5/14(Thu)	30-year		
3/24(Tue)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	4/16(Thu)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	5/15(Fri)	T-Bills (3-month)		
3/26(Thu)	40-year	4/17(Fri)	T-Bills (3-month)	5/18(Mon)	5-year		

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) (Jul.~Dec. 2019)

1	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6	SMBC Nikko Securities Inc.
2	Daiwa Securities Co. Ltd.	7	Morgan Stanley MUFG Securities Co., Ltd.
3	Mizuho Securities Co., Ltd.	8	Merrill Lynch Japan Securities Co., Ltd.
4	Nomura Securities Co., Ltd.	9	Deutsche 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.



# Liquidity Enhancement Auctions and JGB Buy-Back

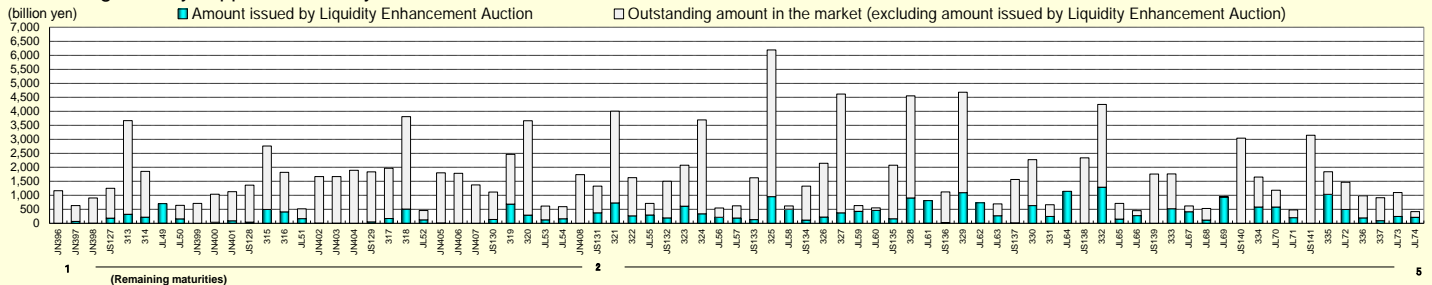
## Results of Liquidity Enhancement Auctions

(Until 29 February 2020)

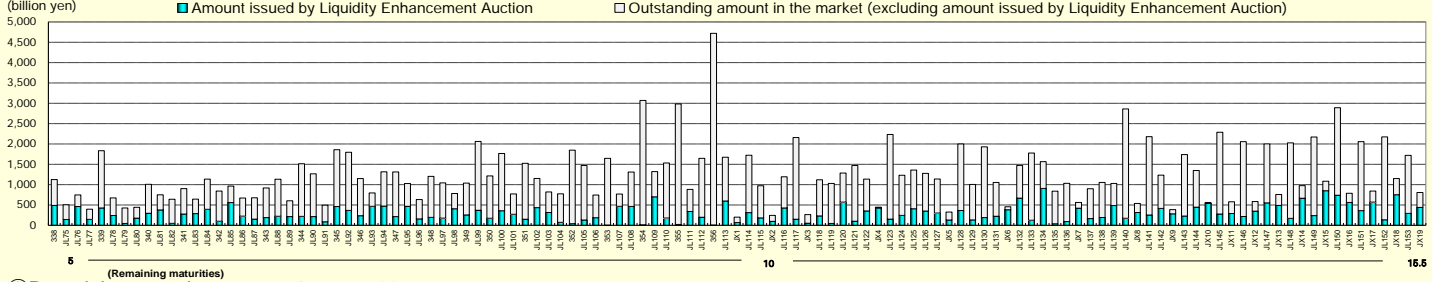
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
12/12/2019	1,280.4	499.1	▲0.005%	0.000%	20-year(154, 155, 156, 158, 160, 163, 164, 165, 167, 169) 30-year(20, 23, 25, 26, 27, 28, 29, 30, 31, 32, 38, 39, 41, 43, 46, 48, 59) 40-year(7, 9, 10, 11)
12/20/2019	1,519.7	599.0	0.013%	0.018%	10-year(336, 338, 339, 340, 341, 343, 354, 355) 20-year(88, 102, 113, 114, 115, 117, 118, 122, 124, 125, 126, 127, 128, 129, 133, 144, 146, 147, 149, 150, 151, 152) 30-year(1, 12, 13)
1/22/2020	1,774.2	597.2	0.000%	0.002%	10-year(338, 339, 343, 345, 347, 356) 20-year(80, 87, 92, 93, 94, 95, 96, 97, 98, 99, 100, 102, 103, 105, 107, 108, 112, 113, 114, 116, 118, 119, 120, 121, 122, 125, 126, 127, 131, 133, 137, 138, 139, 149, 150, 152) 30-year(13)
1/24/2020	1,621.9	398.9	▲0.001%	0.001%	2-year(398, 405) 5-year(130, 131, 133, 134, 135, 136, 137, 138) 10-year(318, 320, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333) 20-year(54, 55, 56, 58, 59, 60, 61, 63, 64, 66, 70)
2/14/2020	1,593.4	597.9	0.003%	0.005%	10-year(339, 340, 341, 342, 346, 347, 351, 353, 356) 20-year(80, 82, 83, 84, 88, 95, 96, 100, 102, 105, 108, 109, 112, 113, 114, 115, 131, 132, 136, 137, 138, 139, 142, 145, 147, 149, 151, 153) 30-year(6, 7, 9, 11, 15, 16, 18, 19)
2/26/2020	1,072.4	499.2	▲0.011%	▲0.005%	20-Year(154, 157, 166, 169) 30-Year(20, 22, 26, 28, 30, 31, 32, 34, 37, 39, 41, 43, 50, 62, 63, 64) 40-Year(2, 5, 9, 10, 11)

## Target Zones of Liquidity Enhancement Auctions for the Fourth Quarter of FY 2019

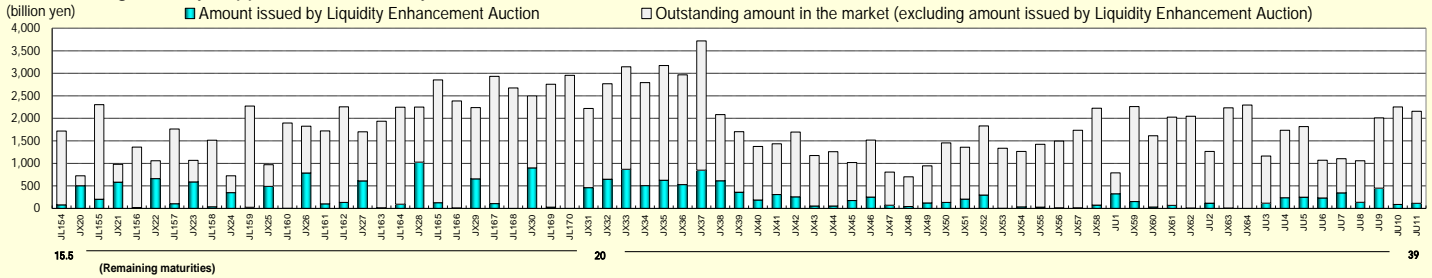
① Remaining maturity : approx. 1 - ~5 - year



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 January 2020.  
Note2 : All issues in the graph above will be eligible afterward.

## 10-year Inflation-Indexed

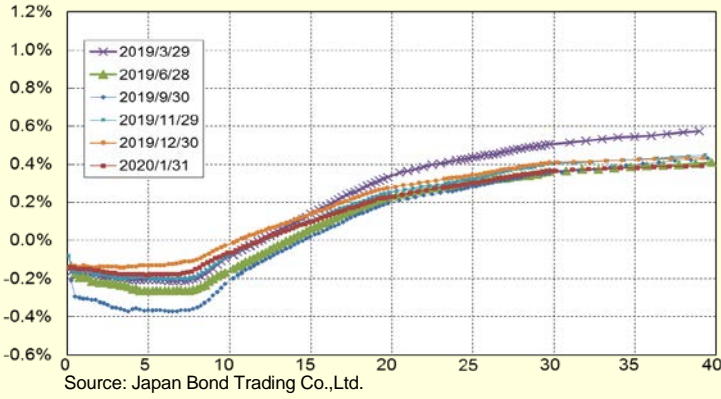
## Buy-Back Results

(Until 29 February 2020)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
11/15/2019	98.0	20.1	0.027	0.08	17, 19, 20, 21, 22, 24
12/18/2019	85.9	20.1	▲0.083	▲0.08	17, 22, 24
1/16/2020	132.9	20.1	▲0.012	0.01	17, 19, 23, 24
2/17/2020	125.6	20.1	▲0.132	▲0.12	17, 20, 21, 24

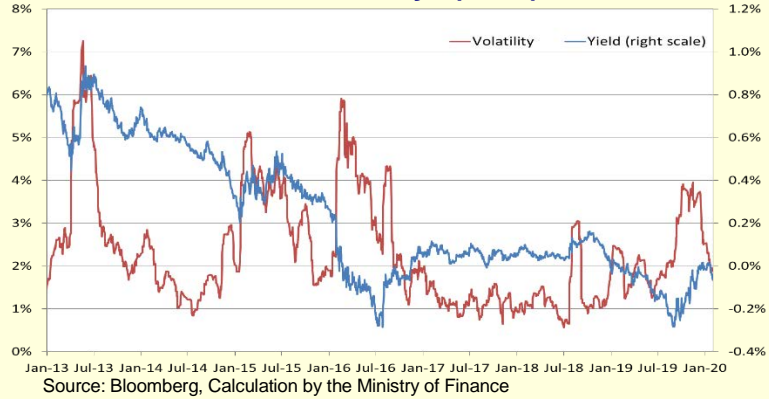
# JGB Secondary Market

## JGB Yield Curves



## Yield and Volatility (10Yr)

(Until 31 January 2020)



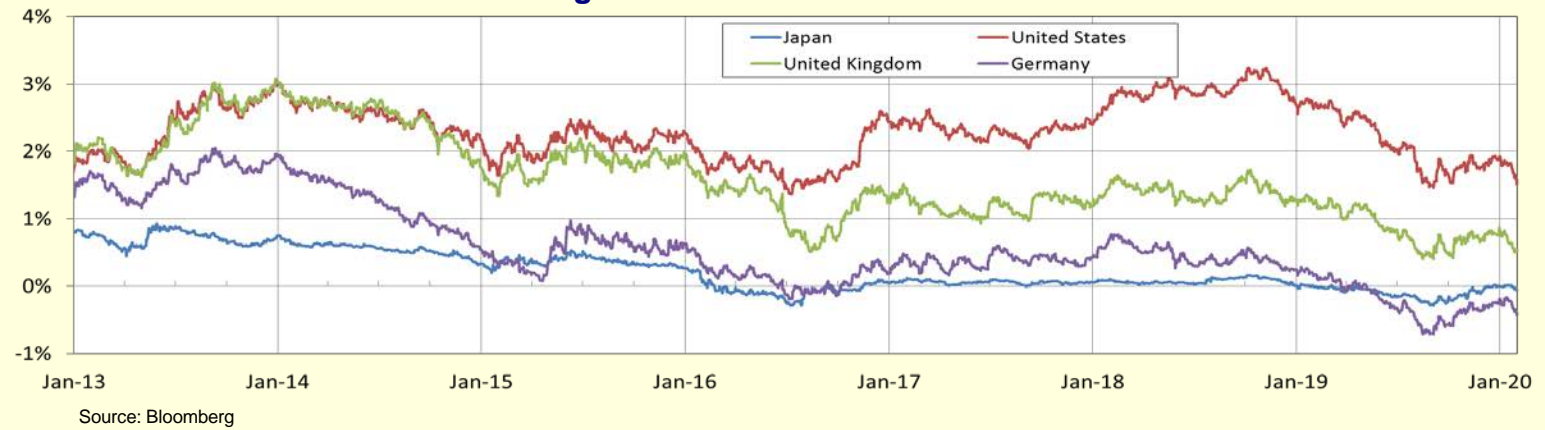
## Yields of JGB

(Until 31 January 2020)



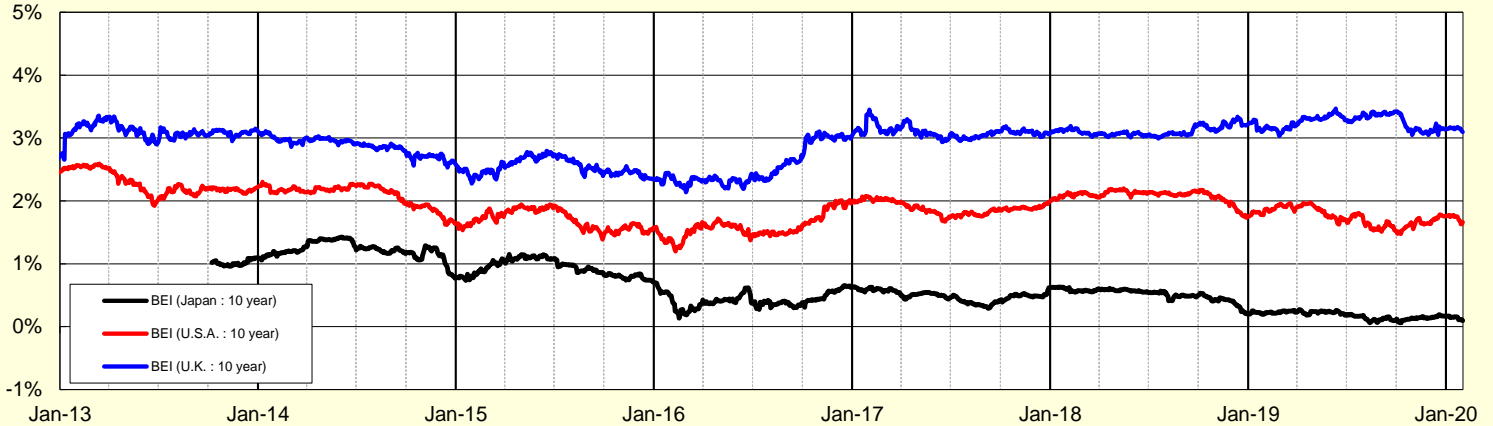
## Long - Term Interest Rates (10Yr)

(Until 31 January 2020)



## Break-Even Inflation Rates

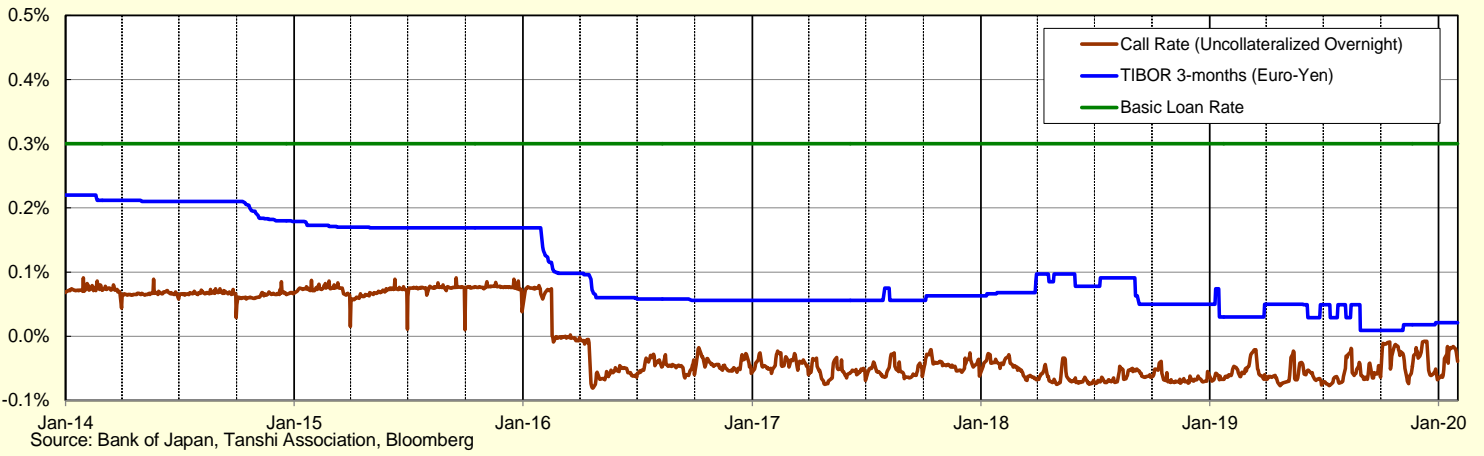
(Until 31 January 2020)



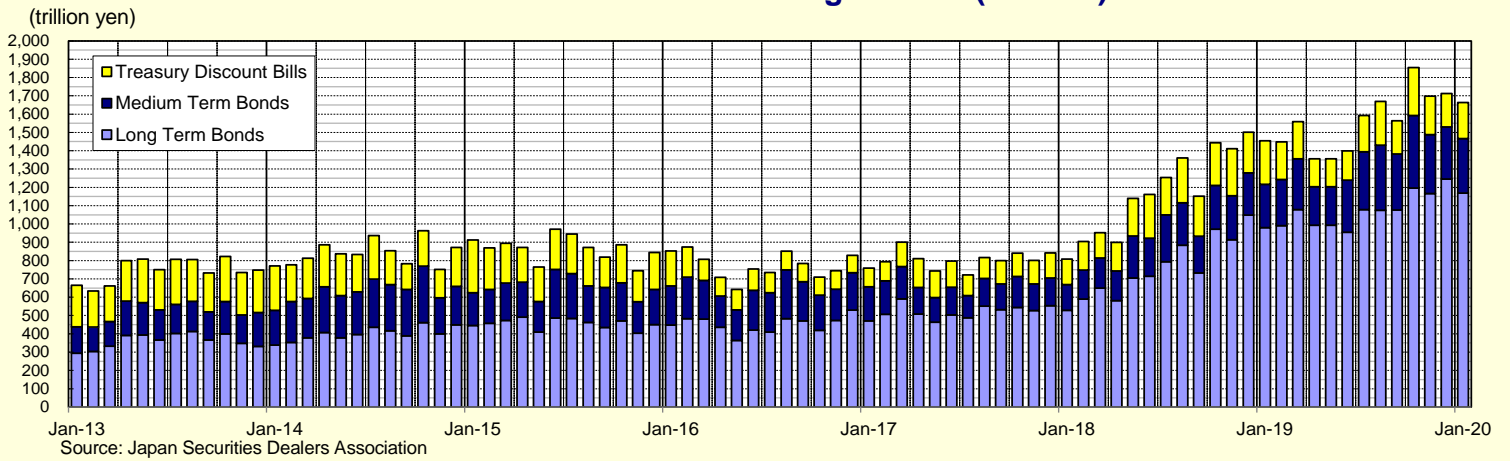
Note: BEI (Japan : 10 year) is calculated based on the compound interest rate of the new Inflation-Indexed Bonds and the 10-Year Bonds  
 Source: Japan: Calculation by the Ministry of Finance based on the information on interest rates offered by NIKKEI QUICK.  
 U.S.A., U.K.: Bloomberg.

## Short-Term Interest Rates

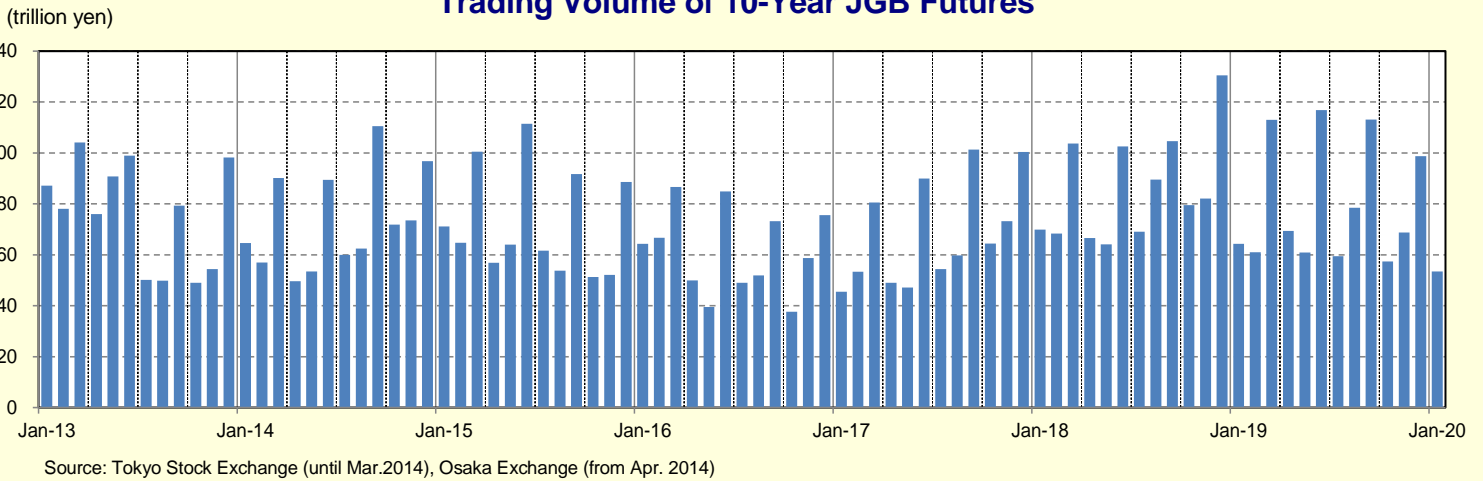
(Until 31 January 2020)



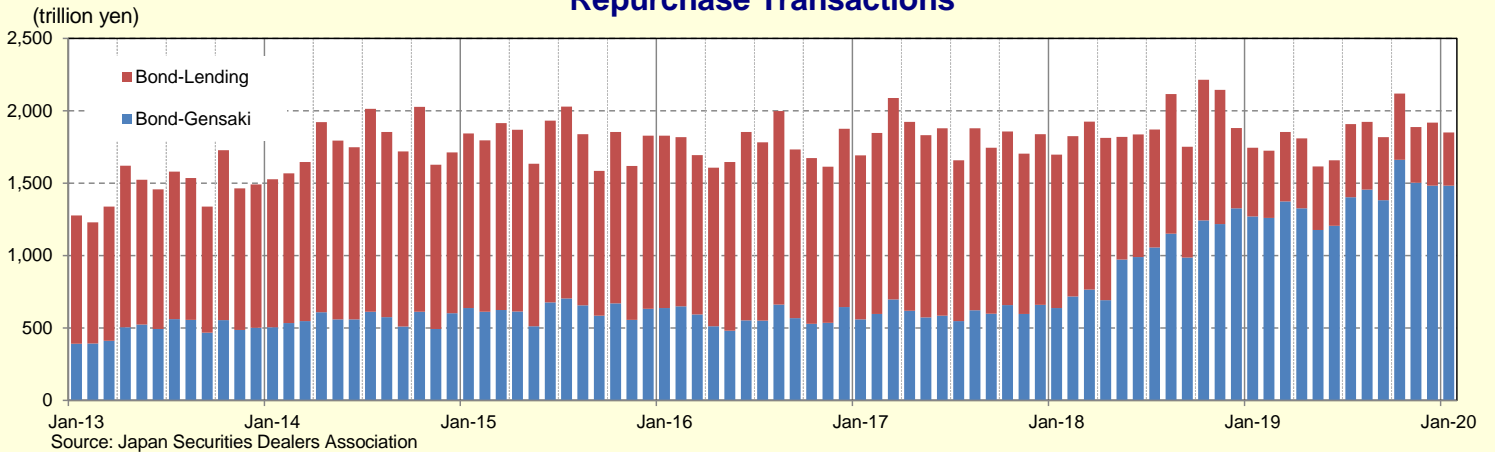
## JGB Over-the-Counter Trading Volume (TOKYO)



## Trading Volume of 10-Year JGB Futures

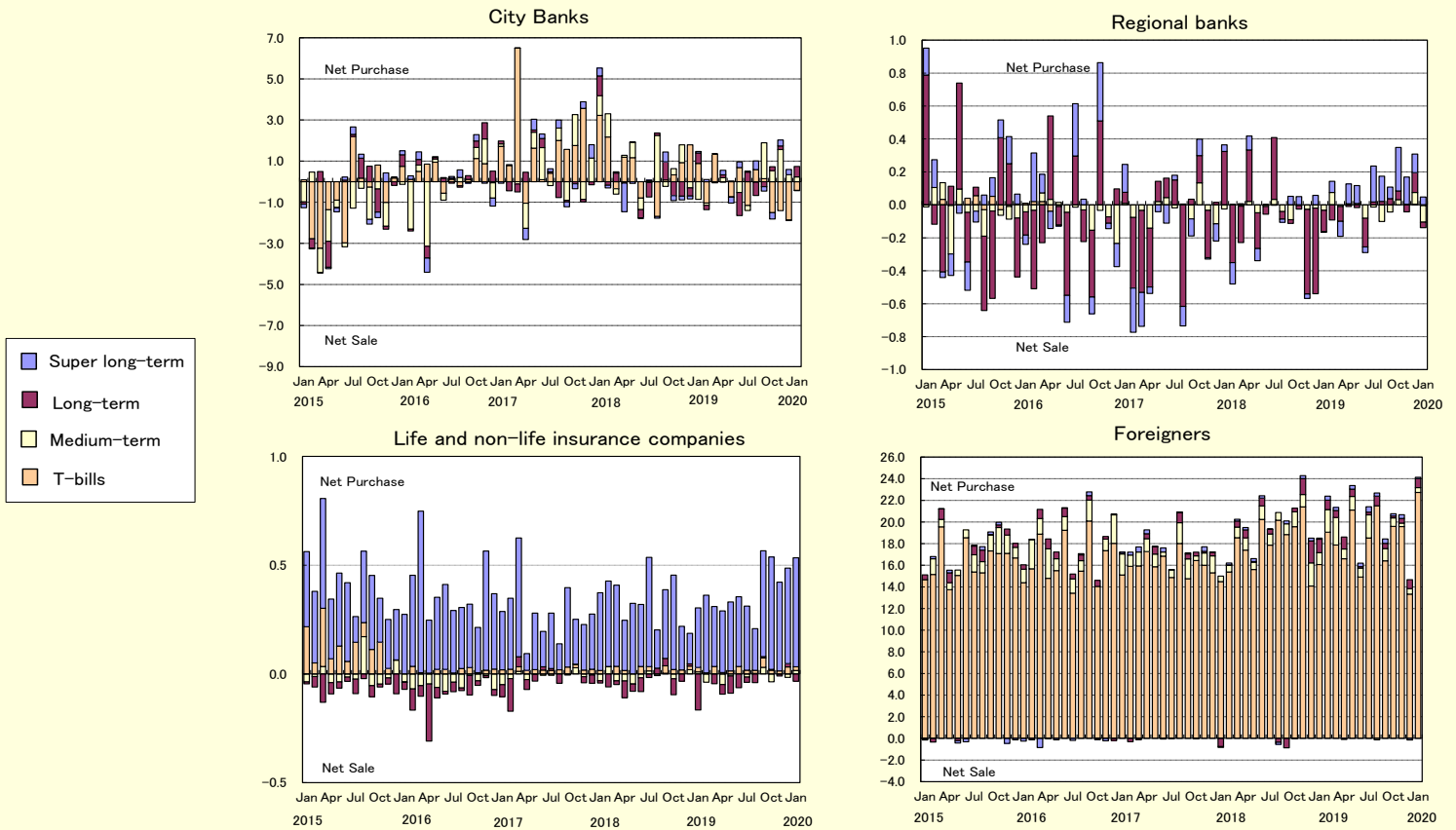


## Repurchase Transactions

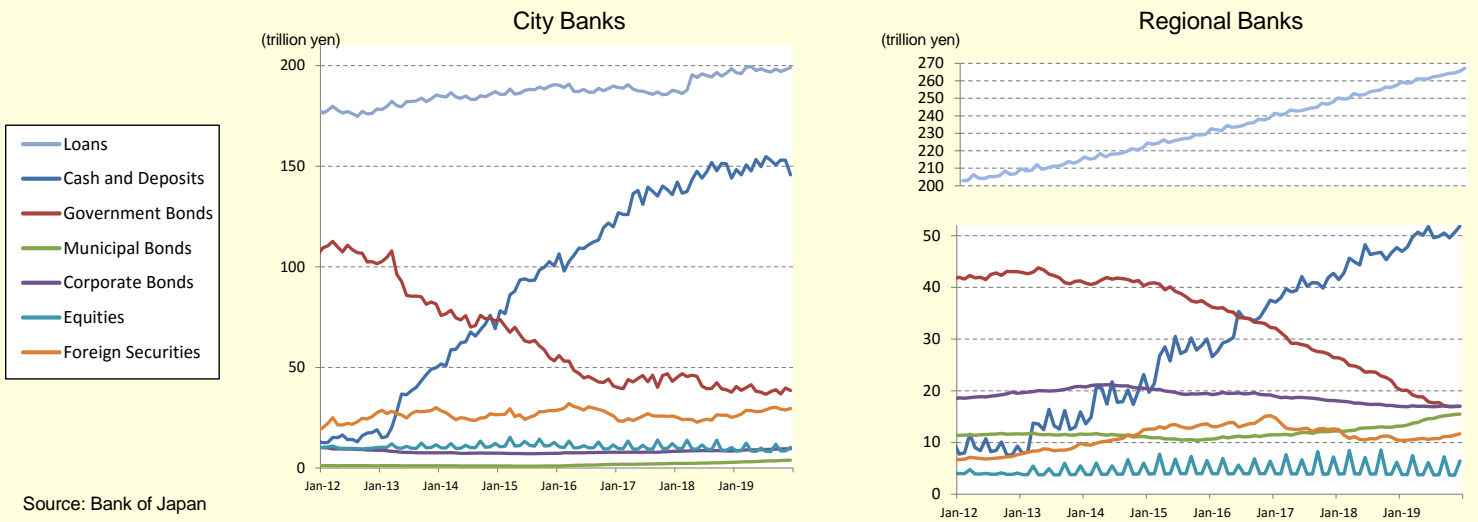


# Investor Trends and JGB Outstanding

## Trends in JGBs Transactions (by investor type)



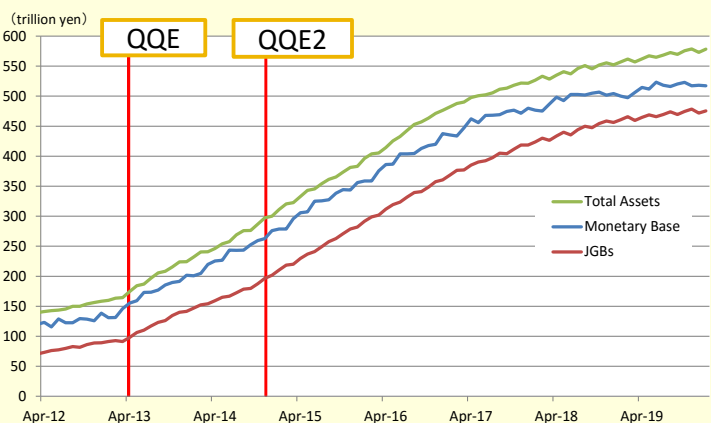
## Trends in Bank Assets by Types



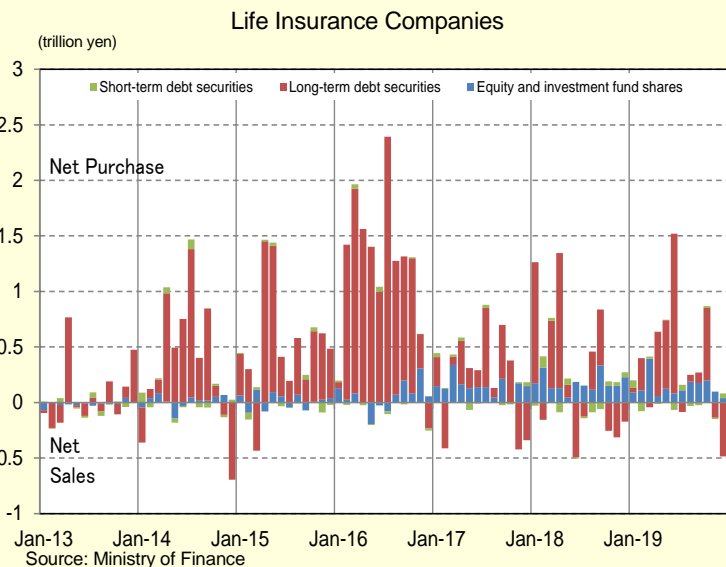
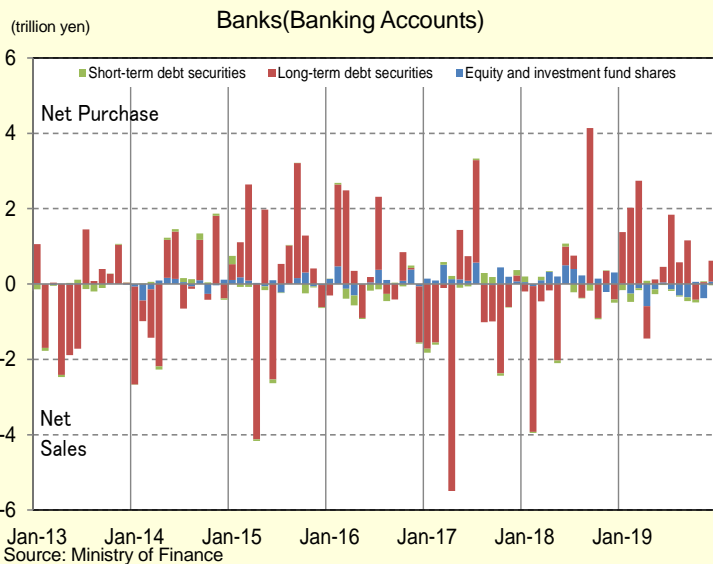
## BOJ Trends

	Apr 2013 (Actual)	Jan 2020 (Actual)
Monetary Base	155	517
JGBs	98	475
CP	1.4	2.2
Corporate Bonds	2.9	3.3
ETFs	1.7	28.5
J-REITs	0.13	0.56
<b>Total Assets</b>	<b>175</b>	<b>578</b>

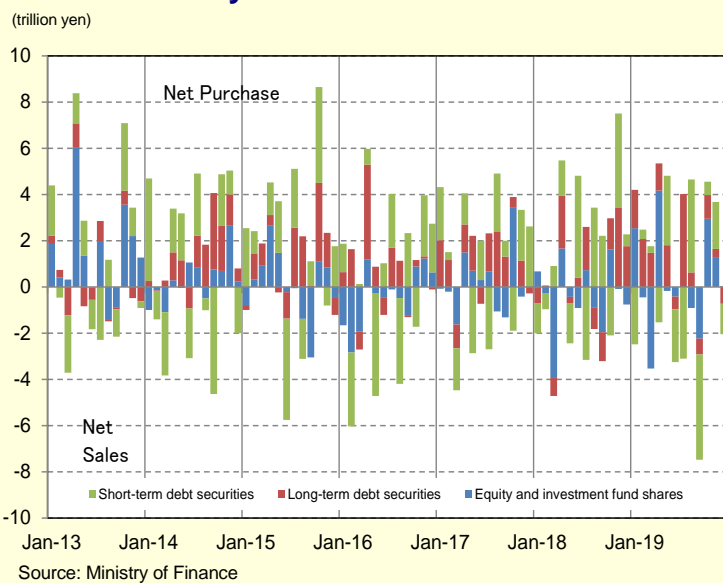
Source: Bank of Japan



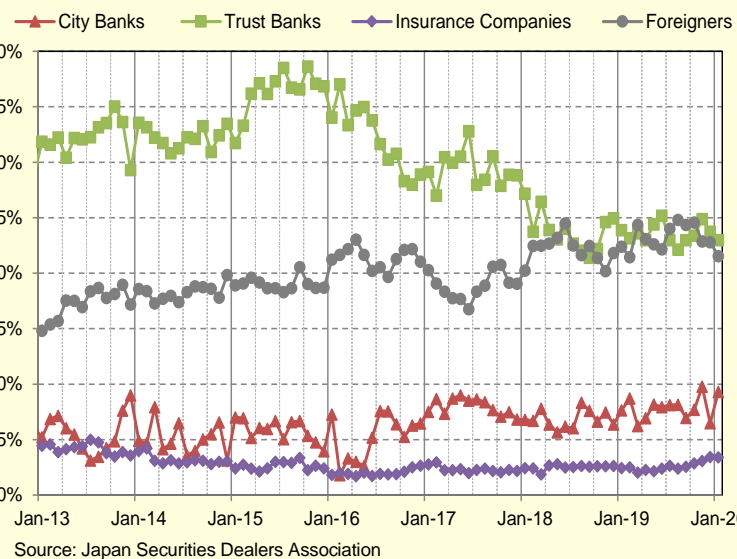
# Transactions of Foreign Securities by Residents (by Investor types)



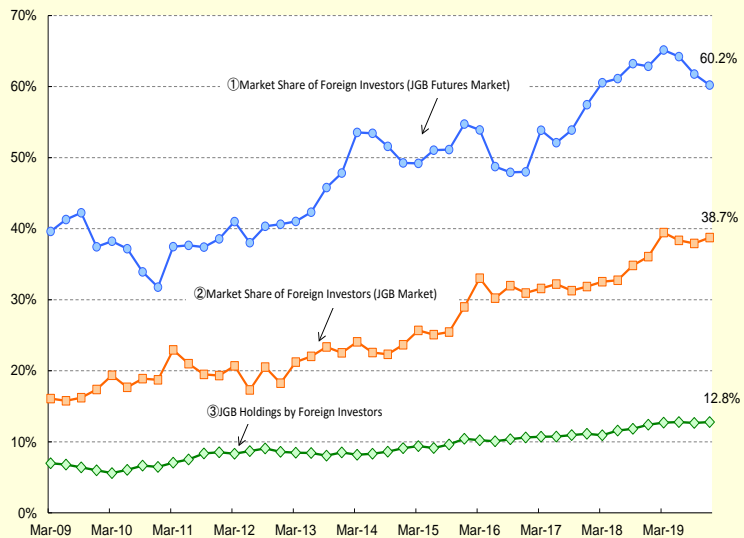
## Transactions of Domestic Securities by Non-Residents



## Outstanding of Repurchase Agreements (by Investor types)

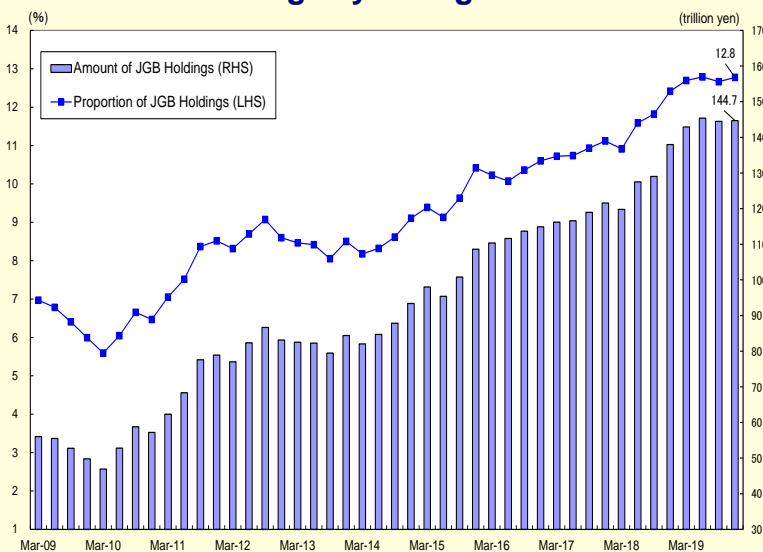


## Foreign Investors Presence



Note.1: Quarterly basis.  
 Note.2: "JGB" includes T-Bills. The figures of ② excludes dealers' transactions.  
 Source: Bank of Japan, Japan Securities Dealers Association, Tokyo Stock Exchange, Osaka Exchange

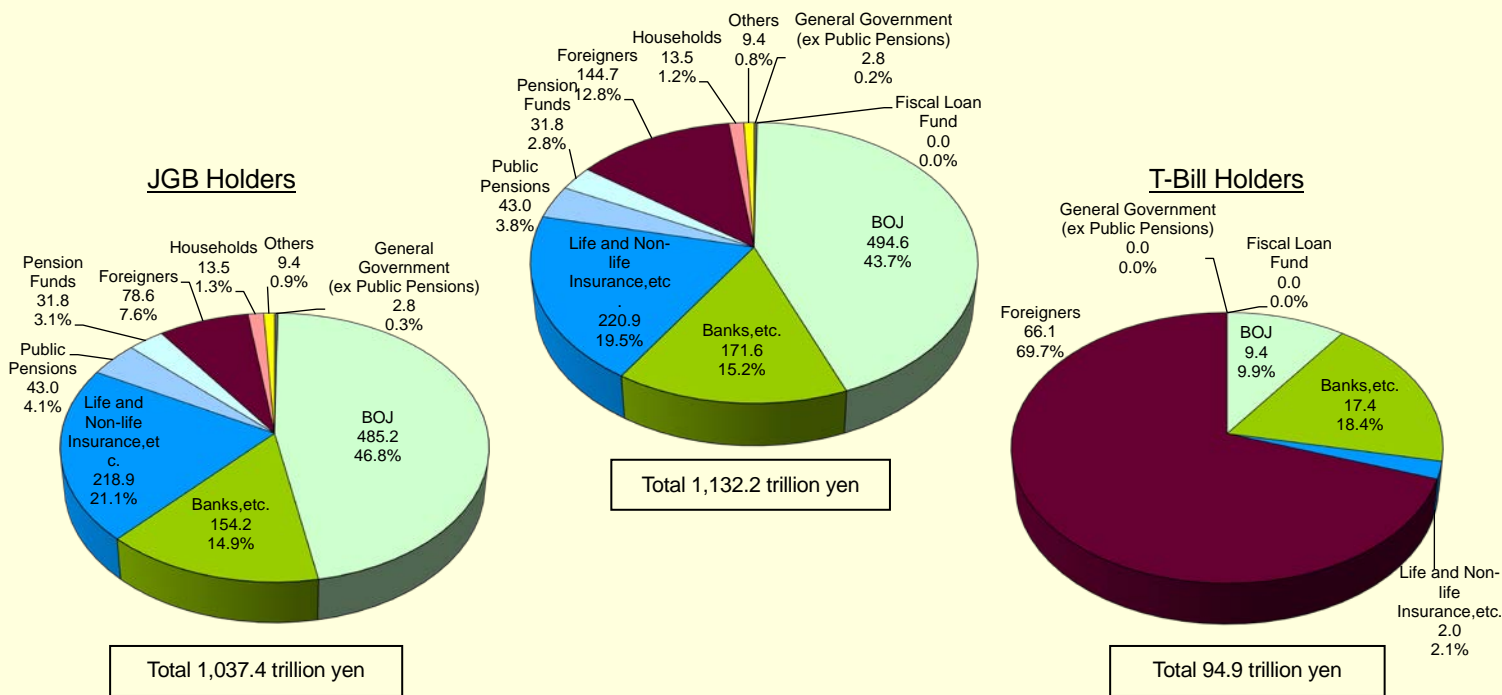
## JGBs Holdings by Foreign Investors



Note.1: Quarterly basis.  
 Note.2: "JGB" includes T-Bills.  
 Source: Bank of Japan

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

**JGB and T-Bill Holders** (trillion yen)



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

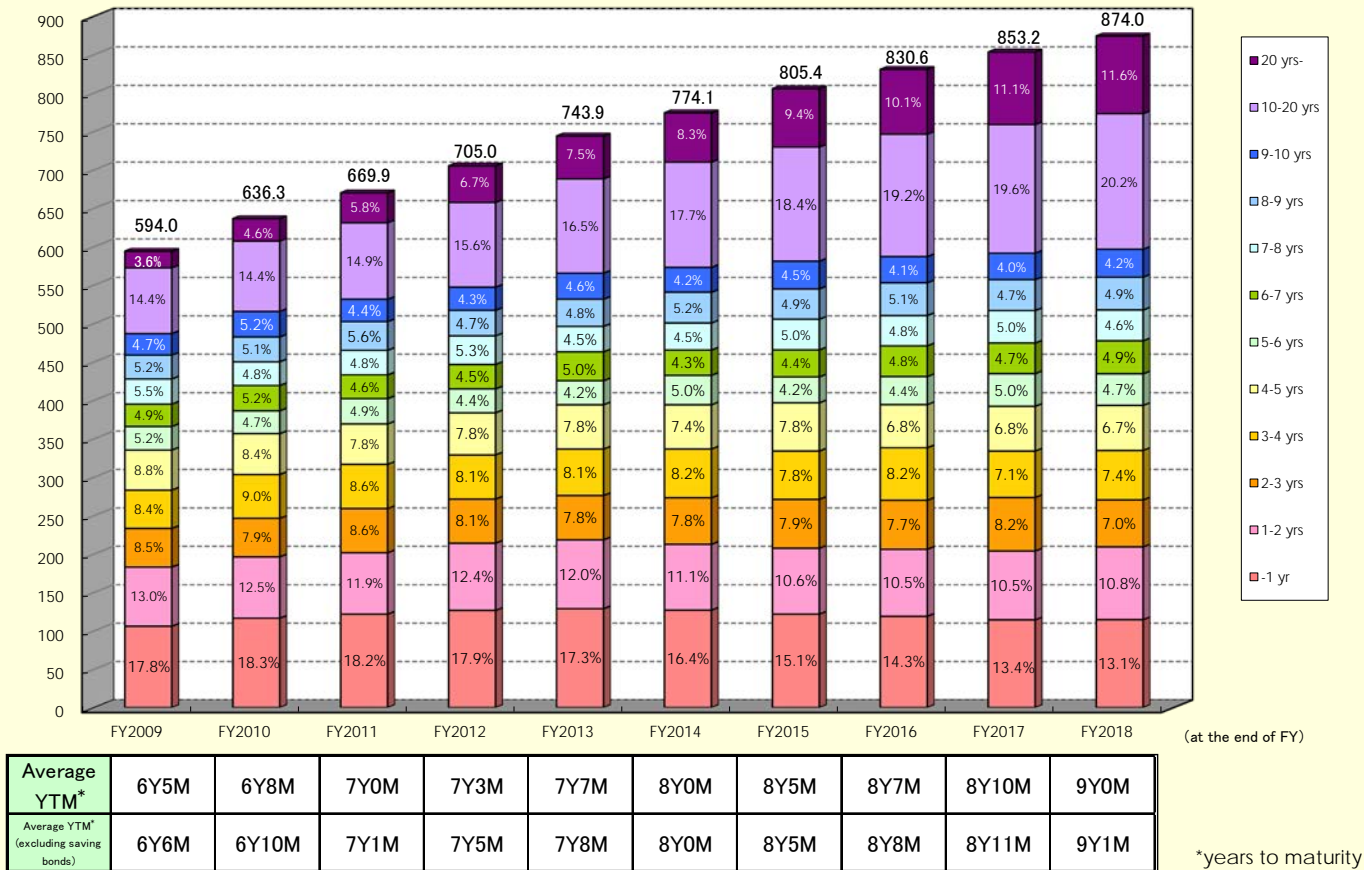
Note1: "JGB" includes "FILP Bonds."

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

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

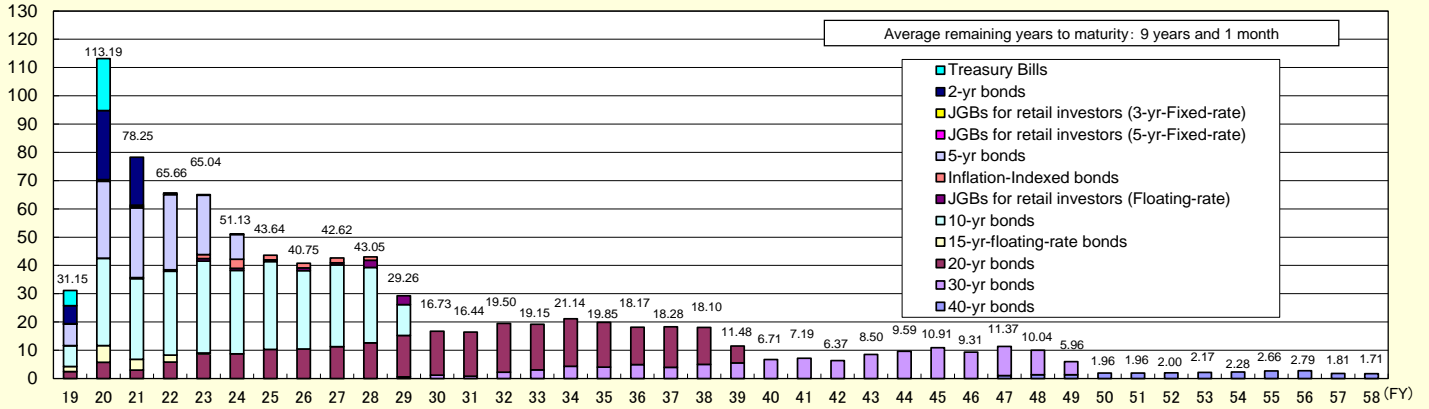
## Breakdown of Outstanding Amount of General Bonds by Remaining Years to Maturity

(Unit: trillion yen)



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

(trillion yen)



Source: Ministry of Finance

## Scheduled redemption of JGB at maturity in March, 2020

(billion yen)

Types	The amount of redemption at maturity	Scheduled redemption date
20-Year Bonds	2,423.3	March 20
15-Year Floating-Rate Bonds	1,004.2	March 20
10-Year Bonds	7,883.3	March 20
5-Year Bonds	8,600.5	March 20
2-Year Bonds	2,454.6	March 15
Treasury Bills	1,800.0	March 23
<b>Total</b>	<b>24,165.9</b>	

Note.1: The figures are based on the outstanding JGBs at the end of January, 2020.

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

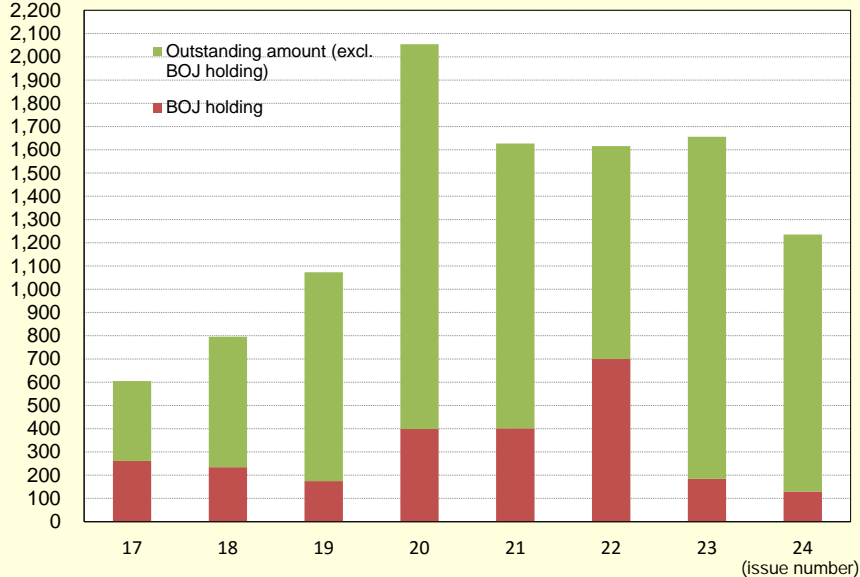
Note.3: The figures do not include "JGB for Retail Investors".

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 January, 2020)

(billion yen)

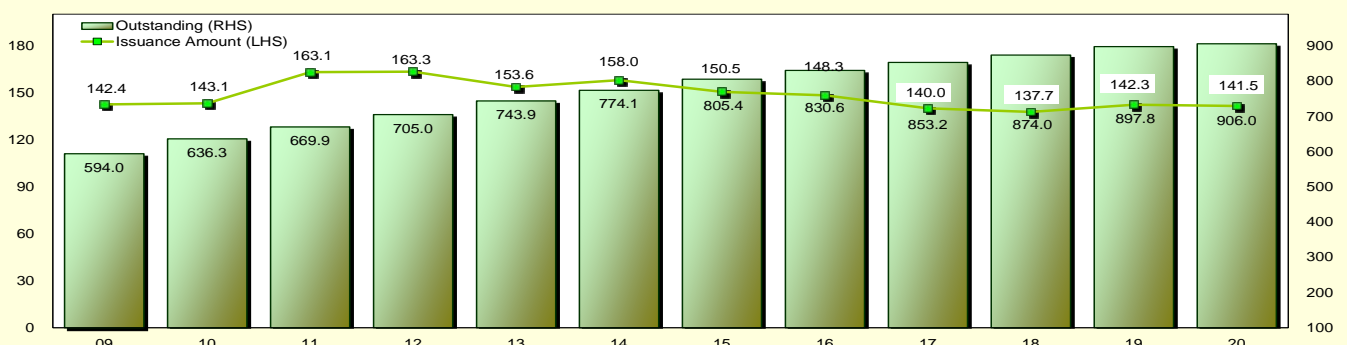


Source: Ministry of Finance, Bank of Japan

(trillion yen)

## General Bonds Issuance Amount and Outstanding

(trillion yen)



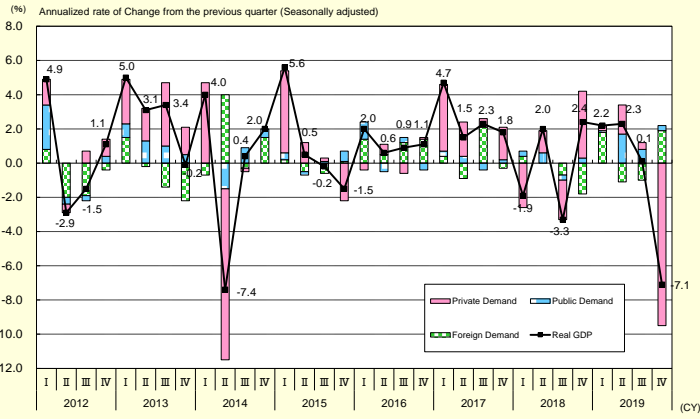
Note 1: Issuance Amount: revenue basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget

Note 2: Outstanding: nominal basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget

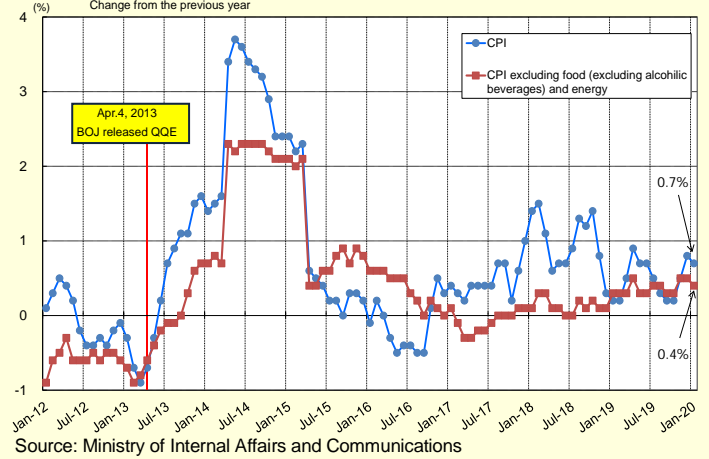
Source: Ministry of Finance

# Economic and Financial Trends

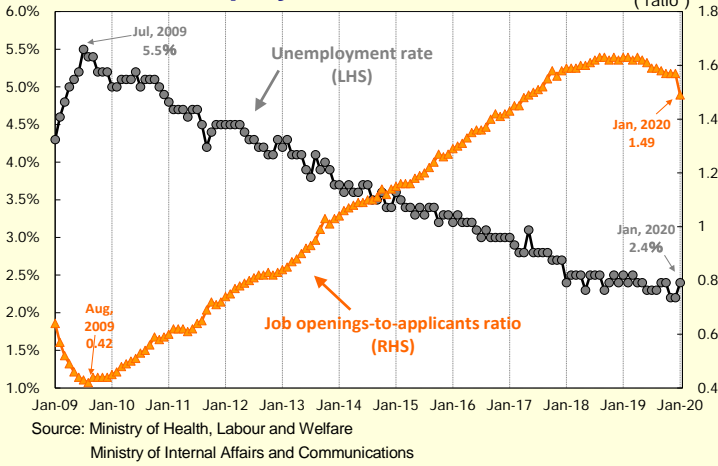
## Real GDP Growth Rate



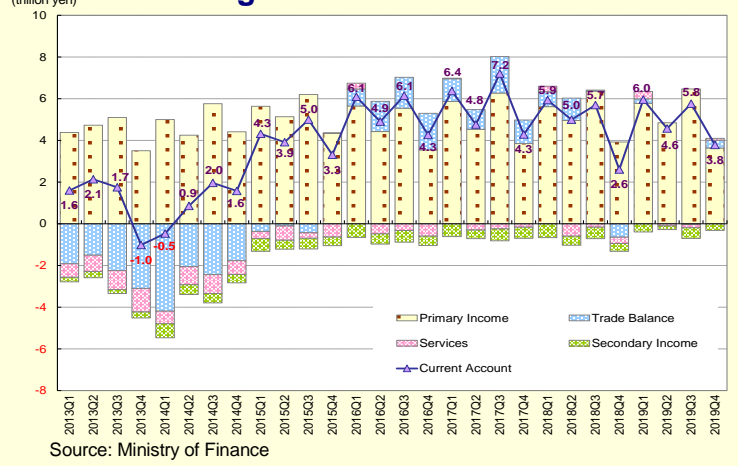
## Prices



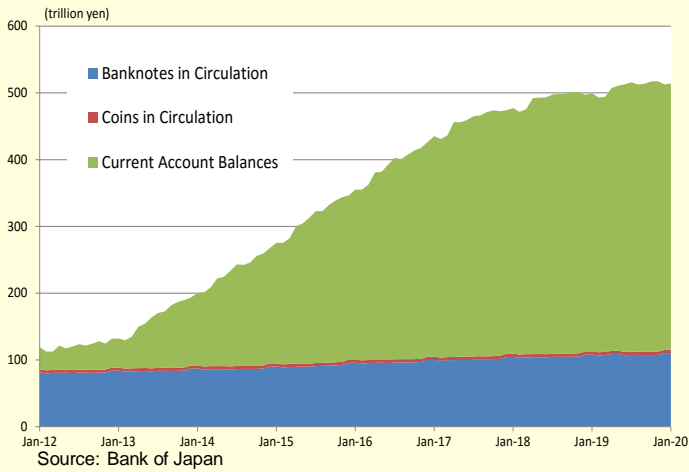
## Employment Conditions



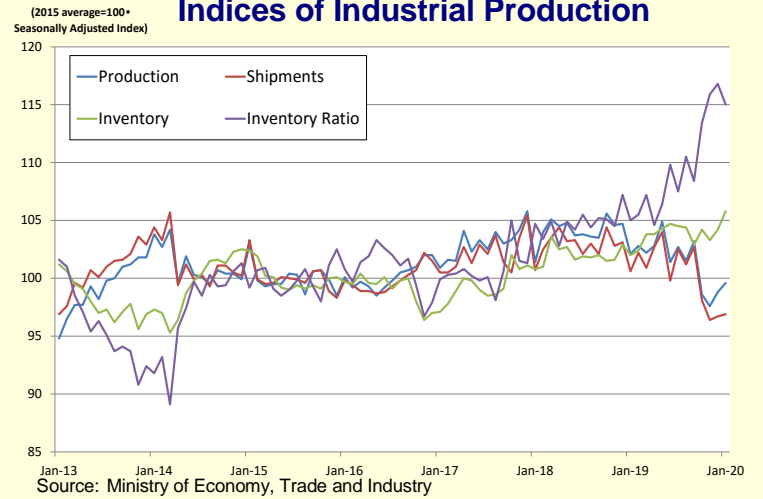
## Changes in Current Account



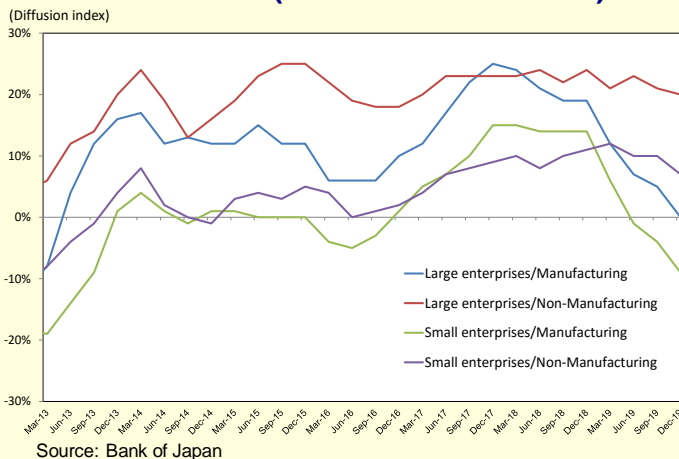
## Monetary Base



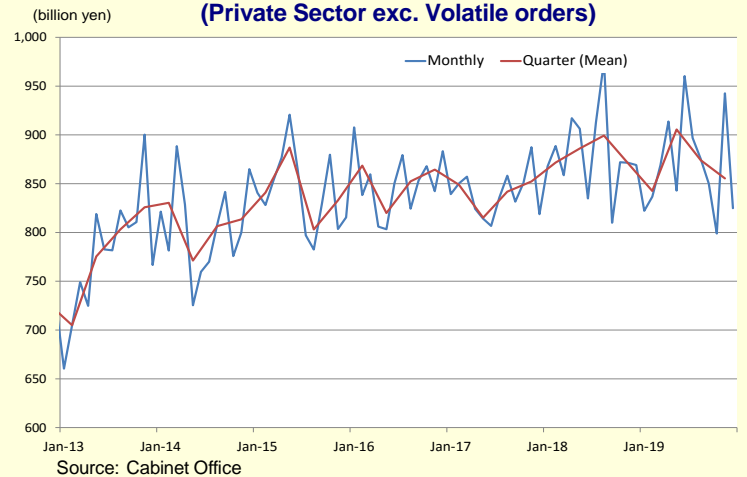
## Indices of Industrial Production



## TANKAN (Business Conditions)



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





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

To subscribe to our Newsletter mailing list,  
please email: [JGB-IR@mof.go.jp](mailto:JGB-IR@mof.go.jp)

## Debt Management Policy Division, Financial Bureau, Ministry of Finance

3-1-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8940 Japan

Phone: 81-3-3581-4111

Web: <https://www.mof.go.jp/>