

# JAPANESE GOVERNMENT BONDS

Monthly Newsletter of the Ministry of Finance, Japan

April 2020

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: The FY2020 Budget

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- ✓ The FY2020 budget was enacted on March 27, 2020 by Diet.

### What's New: Issuance Amount of Inflation-Indexed Bonds, etc.

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- ✓ The MOF decided on the "Issuance and reopening schedule of 10-year, 20-year, 30-year and 40-year Bonds (FY2020)", "Issuance Amount of Inflation-Indexed Bonds in the April-June quarter 2020" and "Issuance Amount for Liquidity Enhancement Auctions in the April-June quarter 2020" following the discussions at the 85th Meeting of JGB Market Special Participants and the 82nd Meeting of JGB Investors, which were held on March 23 and March 24, 2020, respectively.
- ✓ The MOF updated the league table of the top 10 PDs for successful bids in the JGB auctions which is updated quarterly.

### Monthly Topic: JGB Holdings as of December 2019

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- ✓ On March 18, the Bank of Japan released the Flow of Funds Accounts of the 4<sup>th</sup> Quarter 2019. The shares of JGBs (including T-Bills) holders were updated.

### IR Office: The history of the government office building of the MOF

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- ✓ The MOF was founded in 1869, and marked its 150th anniversary last year. On this occasion, we would like to touch on the history of the government office building of the MOF.

### Statistics

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The Ministry of Finance

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

# What's New

## 1. The FY2020 Budget

The FY2020 budget was enacted on March 27, 2020 by Diet.

### Highlights of the FY2020 Budget

The FY2020 budget achieves economic revitalization and fiscal consolidation through enhancing social security system, steadily implementing economic measures and continuing efforts for expenditure reforms.

#### Enhancement of social security system

- To construct social security system for all generations, enhance medical and long-term care such as preventive healthcare / health promotion and implement free higher education financed by the additional revenue from the consumption tax rate hike. (Central government expenditure: ¥1.2tn)
  - Free higher education (+¥488.2bn)
  - Free early childhood education and childcare (+¥187.8bn)
  - Preventive healthcare / health promotion (+¥70.0bn)
  - Promotion of work-style reform of doctors working in hospitals (+¥18.3bn)
  - etc.

#### Steady implementation of economic measures

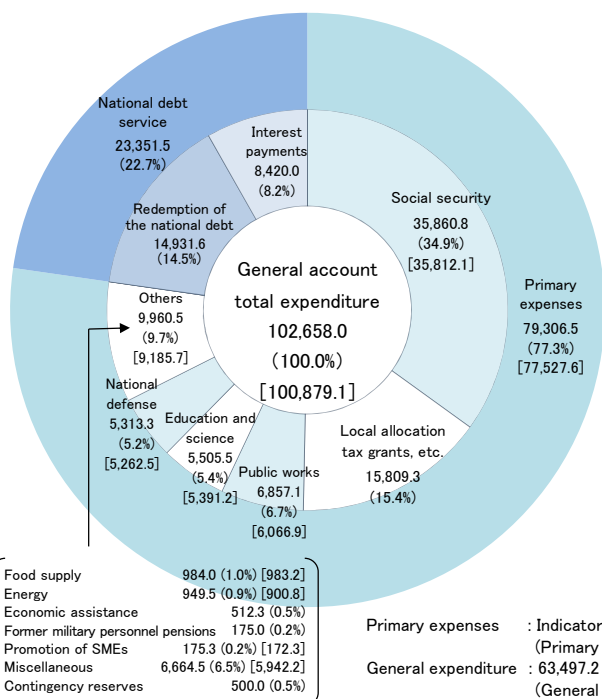
- To implement the economic policy package (expenditure: ¥13.2tn), continue to support private consumption and investment after Tokyo Olympics and Paralympics, in addition to the supplementary budget for FY2019. (Central government expenditure including Temporal and Special Measures in the initial budget for FY2020: ¥1.8tn)
  - Point Reward Project for Consumers using Cashless Payment (¥270.3bn)
  - Measures for stimulating consumption using My Number scheme (¥247.8bn)
  - Benefits for housing purchase "Sumai Kyu-fu kin" (¥114.5bn)
  - Steady implementation of measures in "Three-year Emergency Response Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience" (¥1,143.2bn)
  - etc.

#### Continued efforts for expenditure reforms

- Under the "New Plan to Advance Economic and Fiscal Revitalization", continue efforts for expenditure reforms and achieve the benchmark.
  - Social security expenditure: +¥411.1bn (Increase due to population aging)
  - Non-social security expenditure: +¥33.0bn (Continue efforts of expenditure reforms thus far)
- The amount of planned bond issuance has decreased for 8 consecutive years since the launching of the Abe administration. (FY2019: ¥32.7tn ⇒ FY2020: ¥32.6tn)

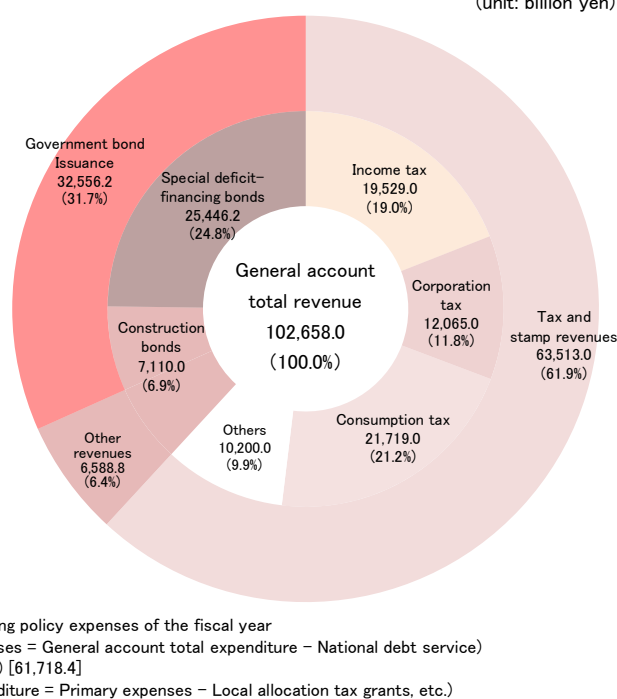
## The FY2020 Budget: Expenditure and Revenue (Ordinary + Temporal and Special Measures)

General account expenditure



General account revenue

(unit: billion yen)



(note 1) Figures may not add up to the total due to rounding.

(note 2) Social security related expenditures account for 56.5% of the general expenditure.

(note 3) Figures in brackets exclude Temporal and Special Measures.

For more details, please refer to the following link:

<https://www.mof.go.jp/english/budget/budget/fy2020/01.pdf>

## **2. Issuance and Reopening schedule (FY2020) , Inflation-indexed Bonds and Liquidity Enhancement Auction (the April-June quarter 2020)**

The MOF decided on the “Issuance and reopening schedule of 10-year, 20-year, 30-year and 40-year Bonds (FY2020)”, “Issuance Amount of Inflation-Indexed Bonds in the April-June quarter 2020” and “Issuance Amount for Liquidity Enhancement Auctions in the April-June quarter 2020” following the discussions at the 85<sup>th</sup> Meeting of JGB Market Special Participants and the 82<sup>nd</sup> Meeting of JGB Investors, which were held on March 23 and March 24, 2020, respectively.

### <Issuance and reopening schedule of 10-year, 20-year, 30-year and 40-year Bonds (FY2020)>

Maturity	Issue Month	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020
<b>10</b> (* ) 30bps rule	Issue No.	No.358			No.359		
	Maturity Month	Mar-2030			Jun-2030		
<b>20</b>	Issue No.	No.172			No.173		
	Maturity Month	Mar-2040			Jun-2040		
<b>30</b>	Issue No.	No.66			No.67		
	Maturity Month	Mar-2050			Jun-2050		
<b>40</b>	Issue No.	-	No.13	-	No.13	-	No.13
	Maturity Month	-	Mar-2060	-	Mar-2060	-	Mar-2060

Maturity	Issue Month	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
<b>10</b> (* ) 30bps rule	Issue No.	No.360			No.361		
	Maturity Month	Sep-2030			Dec-2030		
<b>20</b>	Issue No.	No.174			No.175		
	Maturity Month	Sep-2040			Dec-2040		
<b>30</b>	Issue No.	No.68			No.69		
	Maturity Month	Sep-2050			Dec-2050		
<b>40</b>	Issue No.	-	No.13	-	No.13	-	No.13
	Maturity Month	-	Mar-2060	-	Mar-2060	-	Mar-2060

(\* ) 30bps rule; As an exception to the schedule above, reopening shall not be applied to 10-year Bonds and a new issue will be built up when the gap between the coupon rate and market rate on the auction day is more than 0.30%.

(Note 1) In FY2020, 10-year Bonds, 20-year Bonds and 30-year Bonds will be issued every month.

(Note 2) Auction method for 40-year Bonds is Dutch-style-yield-competitive auction (0.5bp bidding scale).

(Note 3) Reopening is applied to 5-year Bonds when the redemption date and coupon rate are the same as the previous issue.

(Note 4) The plan could be changed owing to market conditions and others.

(Source) MOF [https://www.mof.go.jp/english/jgbs/topics/press\\_release/20200324-01e.htm](https://www.mof.go.jp/english/jgbs/topics/press_release/20200324-01e.htm)

### <Issuance of Inflation-Indexed Bonds in April-June 2020>

- ✓ Issuance amount in May 2020: Approximately 300 billion yen.
- ✓ Reopening: 1 issue (No.25, Maturity: March 10, 2030, Reference CPI: December 2019)
- ✓ Auction month: May, August, November 2020 and February 2021
- ✓ Auction method: Dutch-style-price-competitive auction (0.05 yen bidding scale).
- ✓ Non-Price Competitive Auction II will not be conducted for Inflation-Indexed Bonds for the time being.
- ✓ The auction schedule for the Buy-Back Program of Inflation-Indexed Bonds in April-June 2020 is determined as below:

Auction Month	Auction Amount
April 2020	Buy-Back: Approximately 50 billion yen
May 2020	Issuance: Approximately 300 billion yen Buy-Back: Approximately 50 billion yen
June 2020	Buy-Back: Approximately 50 billion yen

- ✓ In addition to the originally scheduled auction, the MOF has decided to conduct an auction of the Buy-Back Program for an amount of approximately 300 billion yen in March 2020.

(Source) MOF [https://www.mof.go.jp/english/jgbs/topics/press\\_release/20200324-02e.htm](https://www.mof.go.jp/english/jgbs/topics/press_release/20200324-02e.htm)

### <Issuance Amounts for Liquidity Enhancement Auctions in April-June 2020>

- ✓ Auction schedule of Liquidity Enhancement Auction in the April-June quarter 2020 is determined as below:

	April 2020	May 2020	June 2020
(1) Issues with remaining maturities of 1-5 years	-	Approximately 400 billion yen	-
(2) Issues with remaining maturities of 5-15.5 years	Approximately 500 billion yen	Approximately 500 billion yen	Approximately 500 billion yen
(3) Issues with remaining maturities of 15.5-39 years	Approximately 500 billion yen	-	Approximately 500 billion yen

(Source) MOF [https://www.mof.go.jp/english/jgbs/topics/press\\_release/20200324-03e.htm](https://www.mof.go.jp/english/jgbs/topics/press_release/20200324-03e.htm)

## **The League Table of JGB Market Special Participants (PDs)**

The MOF updated the league table of the top 10 PDs for successful bids in the JGB auctions which is updated quarterly.

#### **Top 10 PDs for Successful Bids in Auctions (Weighted by Duration) (Oct. 2019 - Mar. 2020)**

<b>1</b>	<b>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd</b>	4	Mizuho Securities Co., Ltd.
		5	JPMorgan Securities Japan Co., Ltd.
<b>2</b>	<b>Daiwa Securities Co. Ltd.</b>	6	Morgan Stanley MUFG Securities Co., Ltd.
		7	Deutsche Securities Inc.
<b>3</b>	<b>Nomura Securities Co., Ltd.</b>	8	SMBC Nikko Securities Inc.
		9	Goldman Sachs Japan Co., Ltd.
		10	Merrill Lynch Japan Securities Co., Ltd.

#### **Top 5 PDs for Successful Bids of Inflation-Indexed Bond (FY2019)**

<b>1</b>	<b>JPMorgan Securities Japan Co., Ltd.</b>
<b>2</b>	<b>Mizuho Securities Co., Ltd.</b>
<b>3</b>	<b>Goldman Sachs Japan Co., Ltd.</b>
4	Merrill Lynch Japan Securities Co., Ltd.
5	Nomura Securities Co., Ltd.

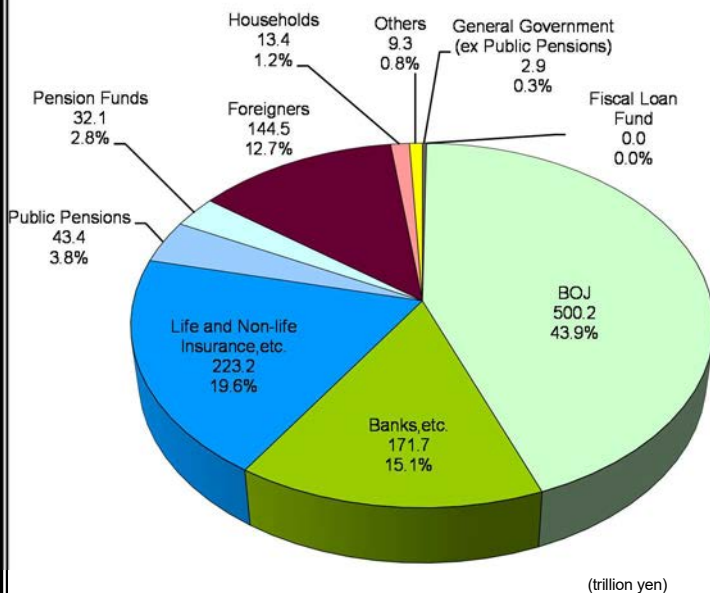
# Monthly Topic

## Breakdown by JGBs (including T-Bills) Holders (end of Dec. 2019)

On March 18, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 4<sup>th</sup> Quarter 2019. The shares of JGBs (including T-Bills, hereinafter referred to as “JGBs”) holders were updated as follows:

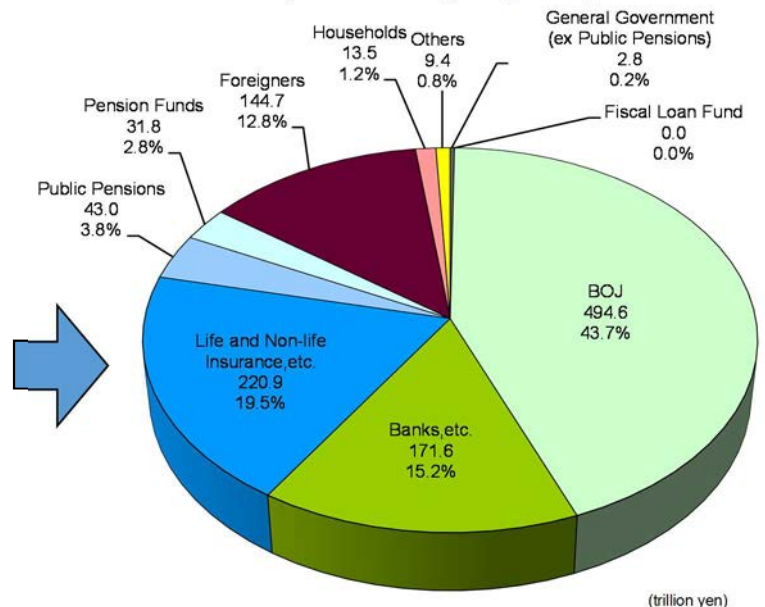
- The total amount of JGBs and T-Bills outstanding decreased by 8.5 trillion yen to 1,132.2 trillion yen.
- BOJ decreased its holdings of JGBs by 5.6 trillion yen to 494.6 trillion yen.
- The amount of JGBs held by domestic Banks in Q4 fell by 0.2 trillion yen to 171.6 trillion yen.
- The amount of JGBs held by foreign investors in Q4 increased by 0.2 trillion yen to 144.7 trillion yen.

**The end of Sep. 2019**



Total ¥1,140.7 trillion

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



Total ¥1,132.2 trillion

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

For more detailed data, please refer to the following link:  
BOJ Time Series Data Search: [https://www.stat-search.boj.or.jp/index\\_en.html](https://www.stat-search.boj.or.jp/index_en.html)

## IR Office

The Ministry of Finance, Japan (MOF) was founded in 1869, and marked its 150<sup>th</sup> anniversary last year. On this occasion, we would like to touch on the history of the government office building of the MOF.

In the early years of the Meiji era (1868-1912), the MOF was founded as one of the key pillars in developing the central political organization of the Meiji New Government. When it was founded, the office building of the MOF was located in a different place from now, in one space of the current imperial palace square. After several relocations, site development of the area where the current office building sits started from 1934. The office building was fortunately spared from destruction during World War II, but it took nearly 30 years until the construction was completed in 1963. Now, it has been over 50 years since the current office building was constructed. Meanwhile, the design and the structure of the office building remain the same.

The government office building of the MOF is surrounded by beautiful nature. The front yard and the courtyard of the office building are planted with deciduous trees including dogwood and Tall Stewartia, and evergreen trees including camphor and quercus myrsinifolia. The trees were planted in well-balanced locations so that we can enjoy the scenery changing from season to season.



As described above, the history of the government office building of the MOF has exceeded 150 years through several relocations, which finally brought the building to the current location. Although in comparison with it, our overseas IR activity has a short history of 15 years, we are going to continue making efforts to provide investors with information meeting their needs in a fine-tuned manner, to promote their understanding of JGBs and the Japanese economy and to build close relations with them.

(Note) The second paragraph was created by editing an article in the Japanese magazine "Finance" (Ministry of Finance) ([https://www.mof.go.jp/public\\_relations/finance/201801/201801c.pdf](https://www.mof.go.jp/public_relations/finance/201801/201801c.pdf)).

*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)*

# JGB Primary Market

## Auction Results (Bonds)

(Until 31 March 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)
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
3/3/2020	10-year	357	12/20/2029	0.1%	5,471.8	1,709.7	▲0.086%	▲0.100%	0.280	389.7	209.0
3/5/2020	30-year	65	12/20/2049	0.4%	2,070.9	567.4	0.339%	0.335%	-	131.5	21.6
3/10/2020	5-year	142	12/20/2024	0.1%	4,308.9	1,575.9	▲0.184%	▲0.220%	-	324.0	0.0
3/12/2020	20-year	171	12/20/2039	0.3%	2,718.2	736.2	0.248%	0.248%	-	163.3	64.0
3/26/2020	40-year	12	3/20/2059	0.5%	1,062.1	399.6	0.450%	-	-	-	15.5
3/31/2020	2-year	411	4/1/2022	0.1%	6,949.8	1,622.4	▲0.112%	▲0.125%	-	377.1	117.1

## Auction Results (Treasury Discount Bills)

(Until 31 March 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)
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
3/6/2020	3-month	892	6/8/2020	11,932.70	3,845.77	▲0.2505%	▲0.2697%	894.20
3/9/2020	6-month	893	9/10/2020	6,108.10	2,115.56	▲0.2516%	▲0.2872%	484.40
3/13/2020	3-month	894	6/15/2020	11,346.00	3,856.29	▲0.1824%	▲0.2385%	883.70
3/17/2020	1-year	895	3/22/2021	7,093.70	1,541.99	▲0.1981%	▲0.2021%	358.00
3/18/2020	3-month	896	6/22/2020	9,400.80	3,846.28	▲0.2024%	▲0.2897%	893.70
3/27/2020	3-month	897	6/29/2020	8,159.65	3,855.89	▲0.1022%	▲0.1884%	884.10

## Auction Calendar for Apr. 2020 – Jun. 2020

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
4/2(Thu)	10-year	4/24(Fri)	T-Bills (3-month)	5/22(Fri)	T-Bills (3-month)	6/18(Thu)	T-Bills (1-year)
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)	6/19(Fri)	T-Bills (3-month)
4/7(Tue)	30-year	5/1(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	5/26(Tue)	40-year	6/23(Tue)	5-year
4/9(Thu)	T-Bills (6-month)	5/7(Thu)	T-Bills (6-month)	5/28(Thu)	2-year	6/25(Thu)	20-year
4/9(Thu)	5-year	5/8(Fri)	T-Bills (3-month)	5/29(Fri)	T-Bills (3-month)	6/26(Fri)	T-Bills (3-month)
4/10(Fri)	T-Bills (3-month)	5/8(Fri)	10-year Inflation-Indexed Bonds	6/2(Tue)	10-year	6/30(Tue)	2-year
4/14(Tue)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)	5/12(Tue)	10-year	6/4(Thu)	30-year		
4/16(Thu)	T-Bills (1-year)	5/14(Thu)	30-year	6/5(Fri)	T-Bills (3-month)		
4/16(Thu)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	5/15(Fri)	T-Bills (3-month)	6/9(Tue)	T-Bills (6-month)		
4/17(Fri)	T-Bills (3-month)	5/18(Mon)	5-year	6/11(Thu)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)		
4/21(Tue)	20-year	5/19(Tue)	T-Bills (1-year)	6/12(Fri)	T-Bills (3-month)		
4/23(Thu)	2-year	5/20(Wed)	20-year	6/15(Mon)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)		

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) (Oct. 2019~Mar. 2020)

1	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6	Morgan Stanley MUFG Securities Co., Ltd.
2	Daiwa Securities Co. Ltd.	7	Deutsche Securities Inc.
3	Nomura Securities Co., Ltd.	8	SMBC Nikko Securities Inc.
4	Mizuho Securities Co., Ltd.	9	Goldman Sachs Japan Co., Ltd.
5	JPMorgan Securities Japan Co., Ltd.	10	Merrill Lynch Japan Securities Co., Ltd.

### Top 5 PDs for Successful Bids of Inflation-Indexed Bond (FY2019)

1	JPMorgan Securities Japan Co., Ltd.
2	Mizuho Securities Co., Ltd.
3	Goldman Sachs Japan Co., Ltd.
4	Merrill Lynch Japan Securities Co., Ltd.
5	Nomura Securities Co., Ltd.

# Liquidity Enhancement Auctions and JGB Buy-Back

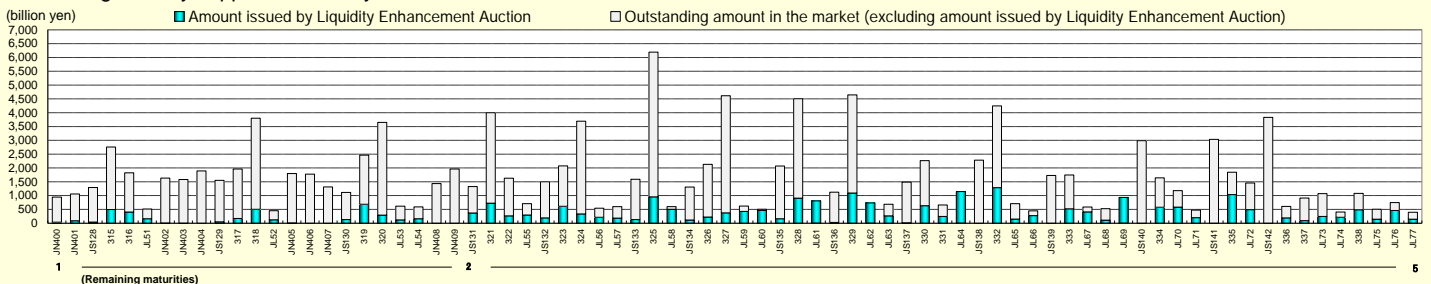
## Results of Liquidity Enhancement Auctions

(Until 31 March 2020)

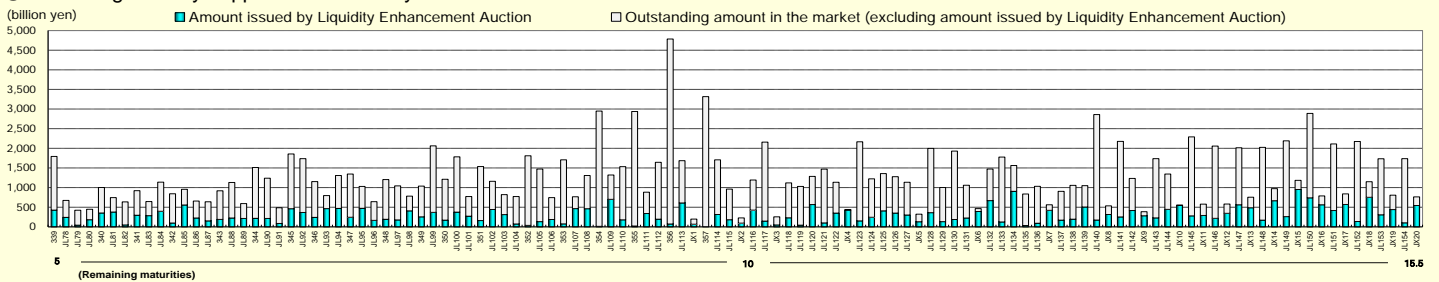
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
1/22/2020	1,774.2	597.2	0.000%	0.002%	10-year(338, 339, 343, 345, 347, 356) 20-year(80, 87, 92, 93, 94, 95, 96, 97, 98, 99, 100, 102, 103, 105, 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)
3/16/2020	1,785.5	599.5	0.017%	0.030%	10-year(339, 340, 345, 356) 20-year(75, 82, 83, 84, 86, 87, 88, 102, 114, 116, 117, 118, 119, 138, 139, 148, 151, 153) 30-year(2)
3/24/2020	1,728.6	399.3	▲0.029%	▲0.021%	2-year(410) 5-year(132, 133, 134, 135, 136) 10-year(320, 323, 325, 327, 328, 329, 331, 332, 333, 335, 336, 337) 20-year(56, 57, 58, 64, 65, 69, 70, 73)

## Target Zones of Liquidity Enhancement Auctions for the first Quarter of FY 2020

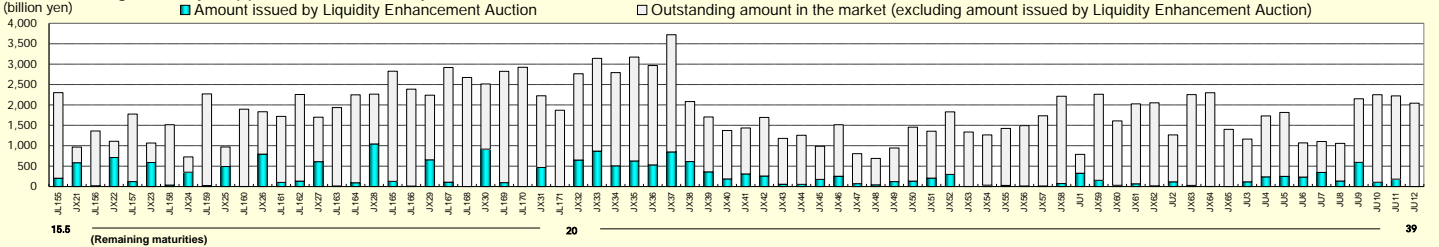
① Remaining maturity : approx. 1 - ~5 - year



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

## 10-year Inflation-Indexed

## Buy-Back Results

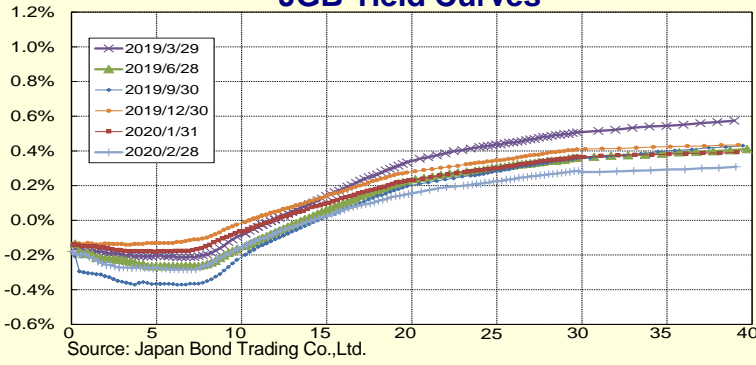
(Until 31 March 2020)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
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
3/4/2020	88.1	20.1	0.089	0.19	17, 18, 19, 20, 21, 22, 23, 24
3/25/2020	373.7	300.0	0.279	0.55	



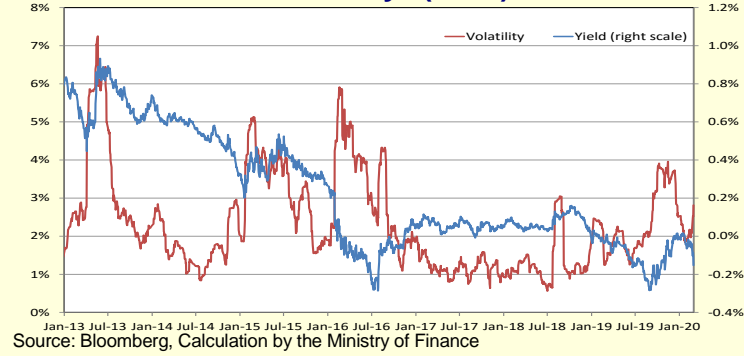
# JGB Secondary Market

## JGB Yield Curves



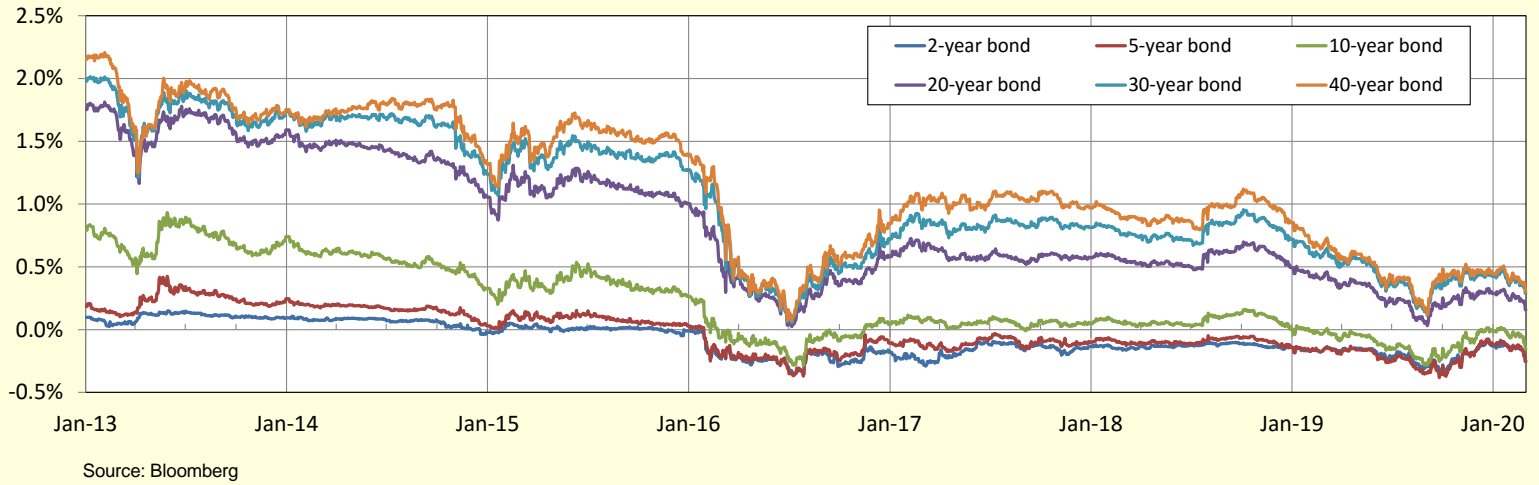
## Yield and Volatility (10Yr)

(Until 29 February 2020)



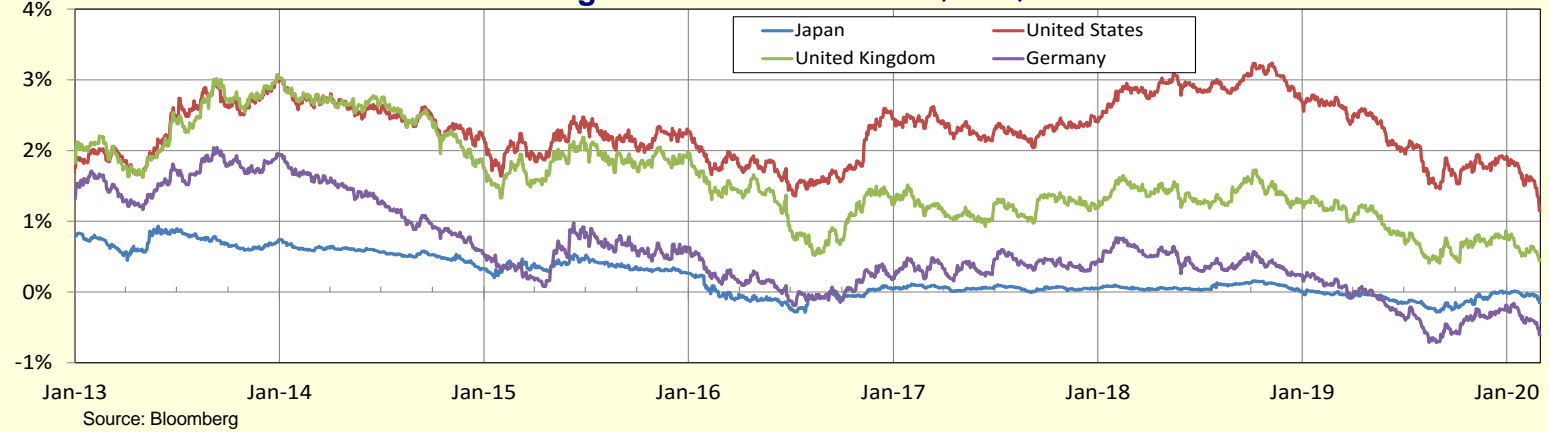
## Yields of JGB

(Until 29 February 2020)



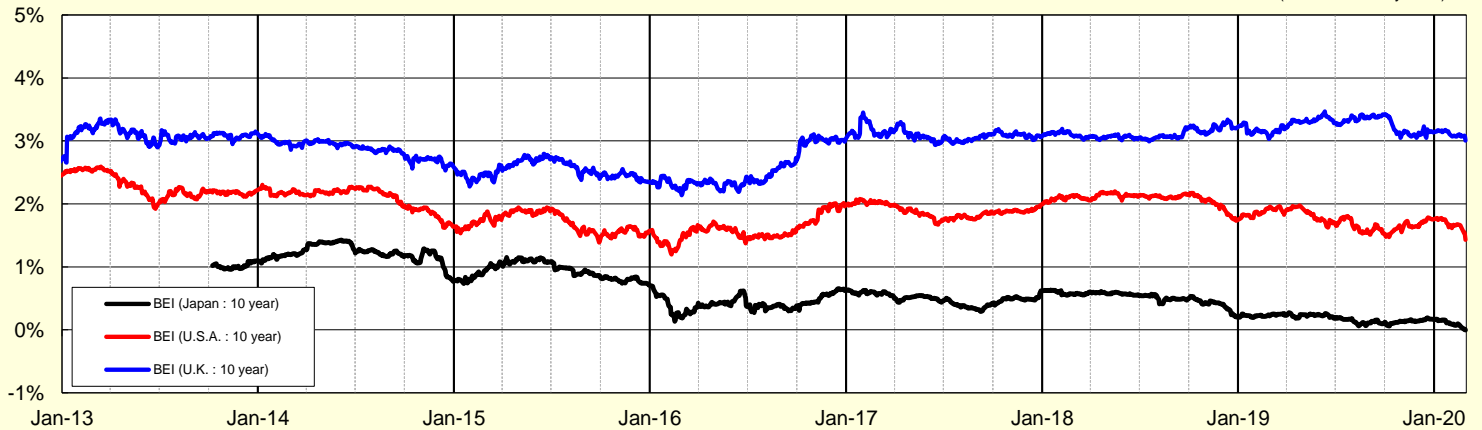
## Long - Term Interest Rates (10Yr)

(Until 29 February 2020)



## Break-Even Inflation Rates

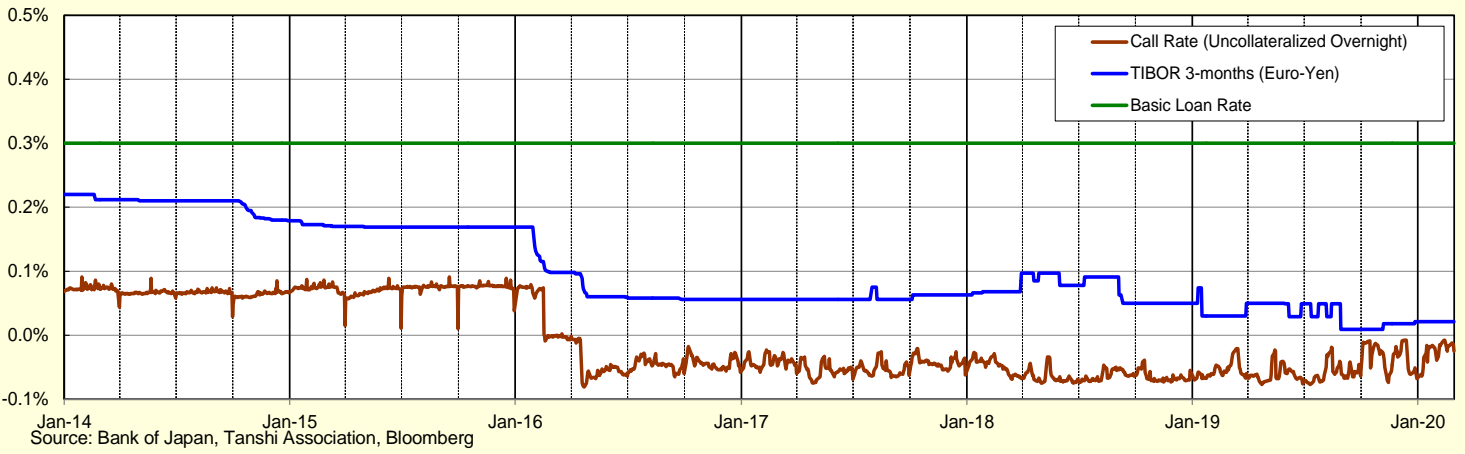
(Until 29 February 2020)



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.

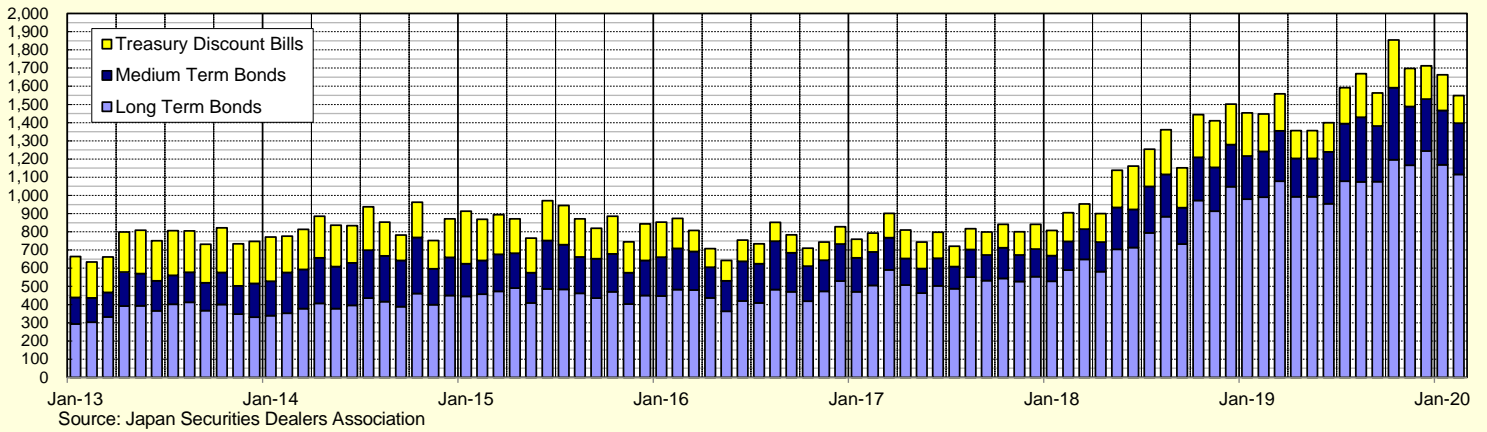
## Short-Term Interest Rates

(Until 29 February 2020)



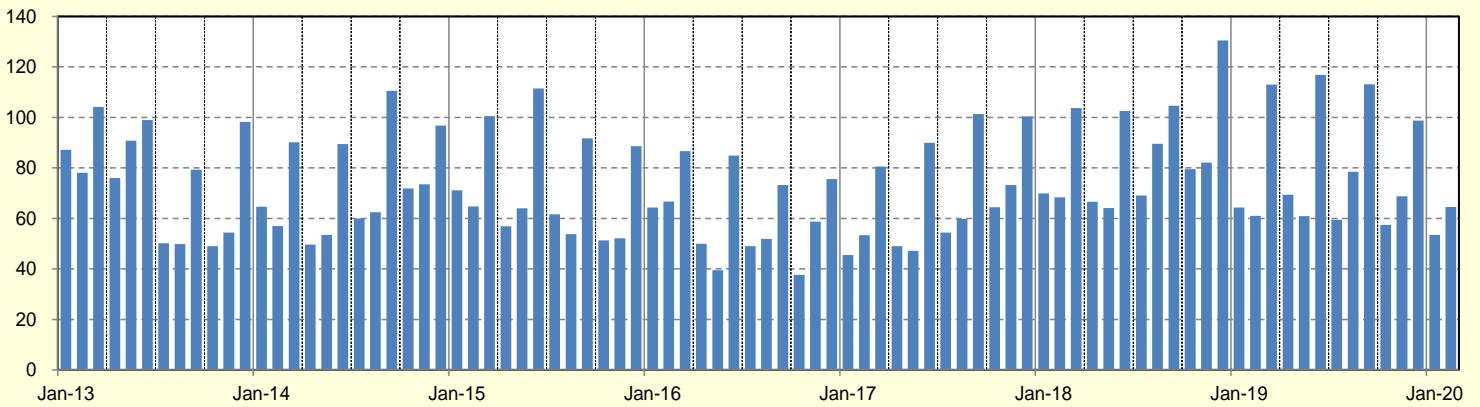
## JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



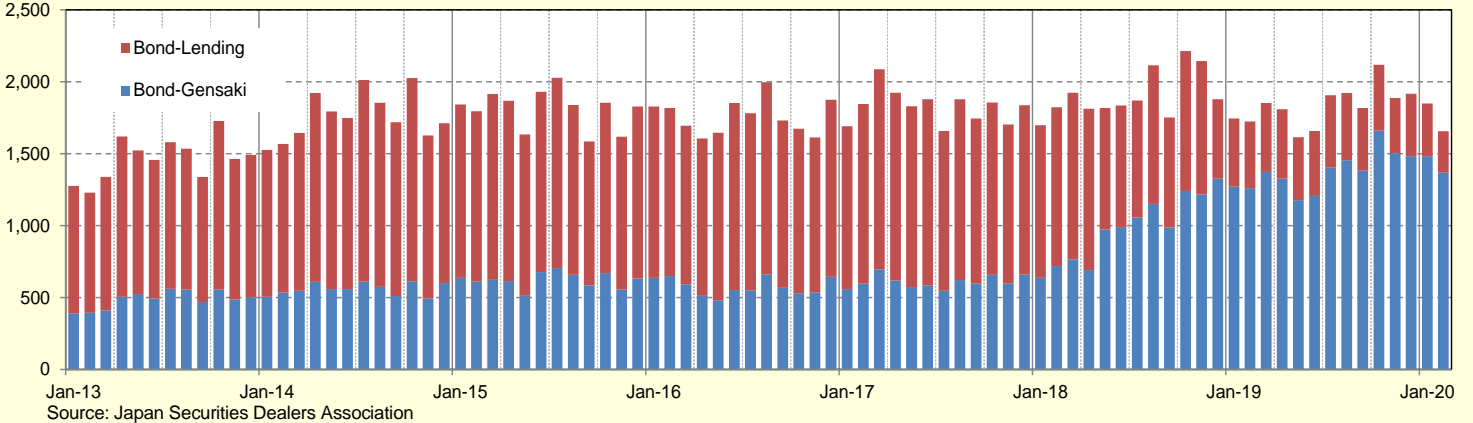
## Trading Volume of 10-Year JGB Futures

(trillion yen)



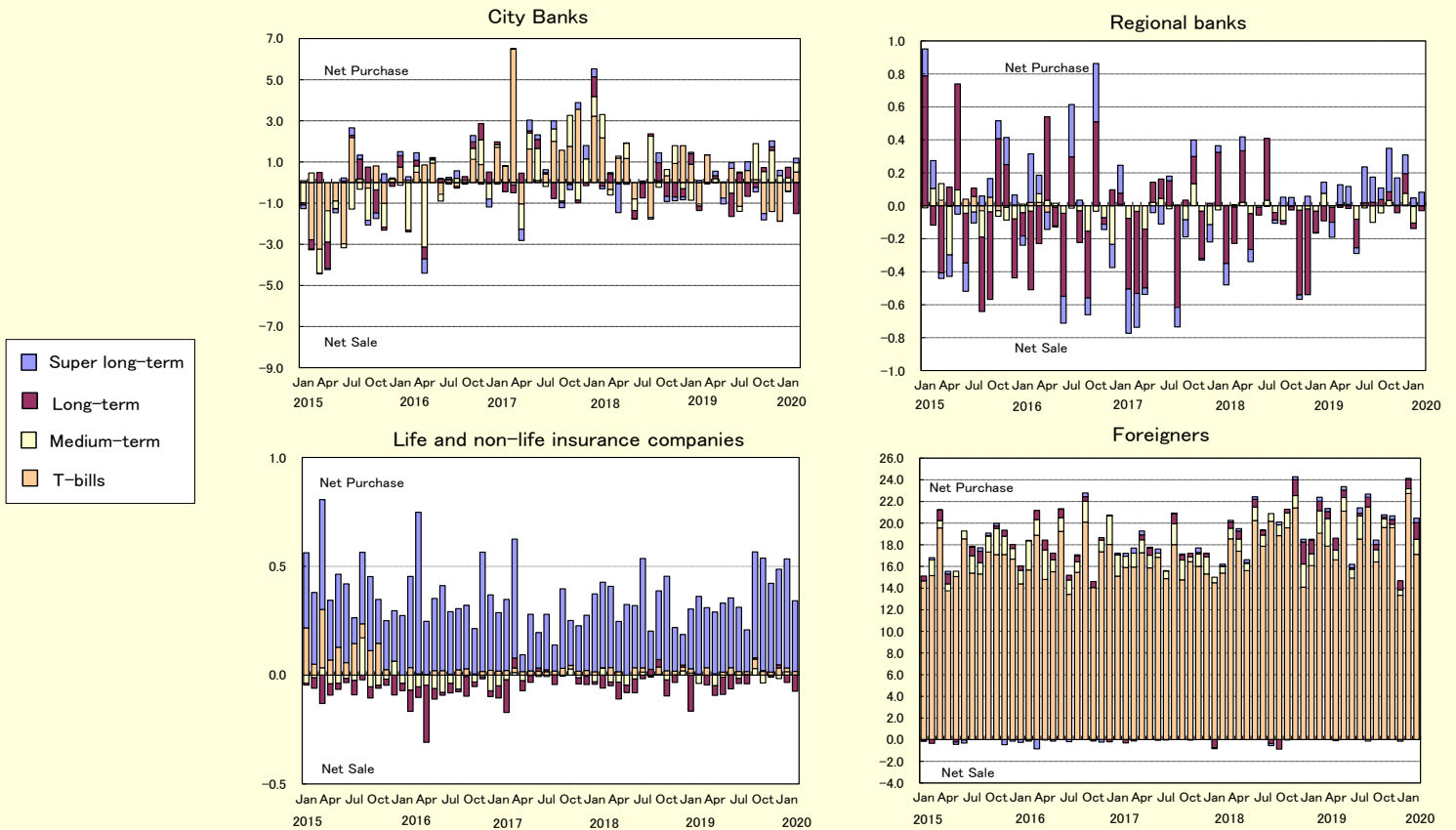
## Repurchase Transactions

(trillion yen)

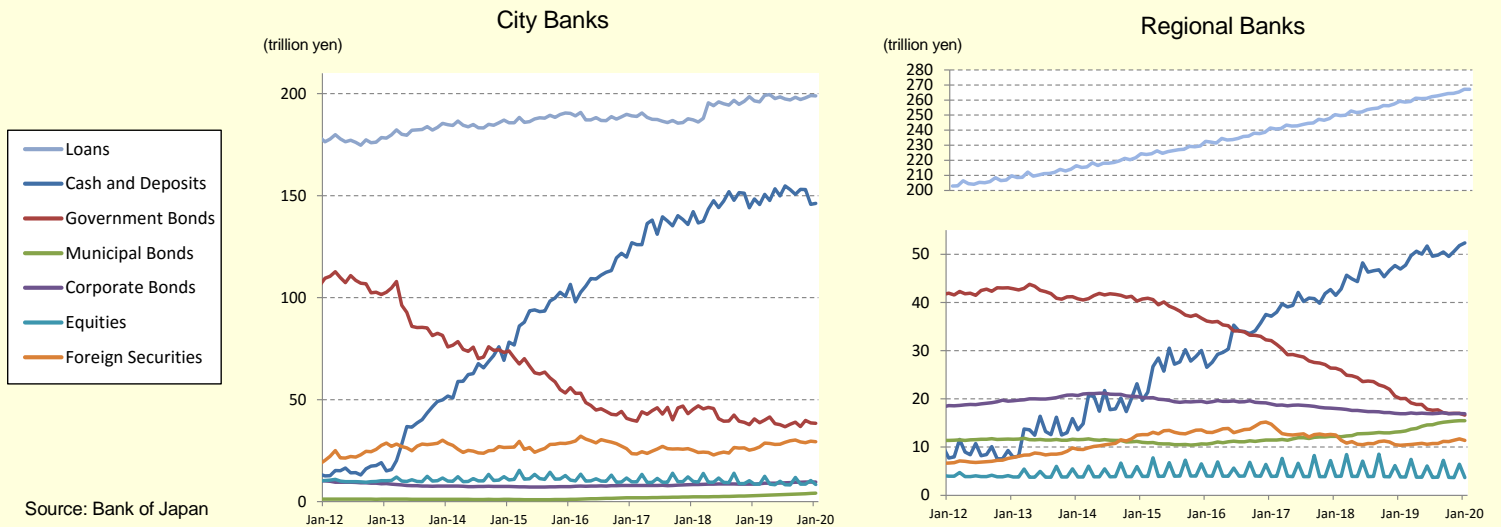


# Investor Trends and JGB Outstanding

## Trends in JGBs Transactions (by investor type)

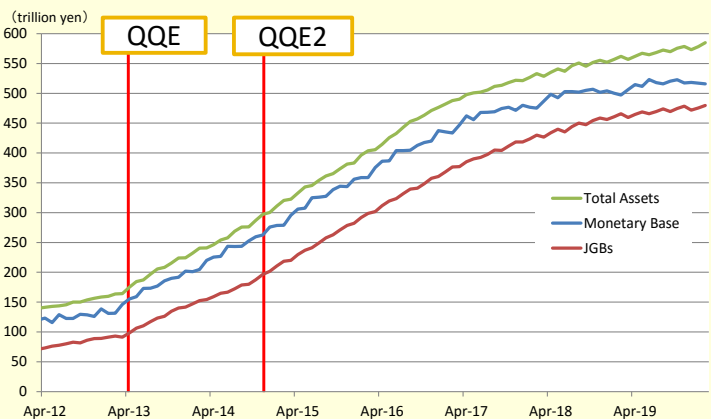


## Trends in Bank Assets by Types



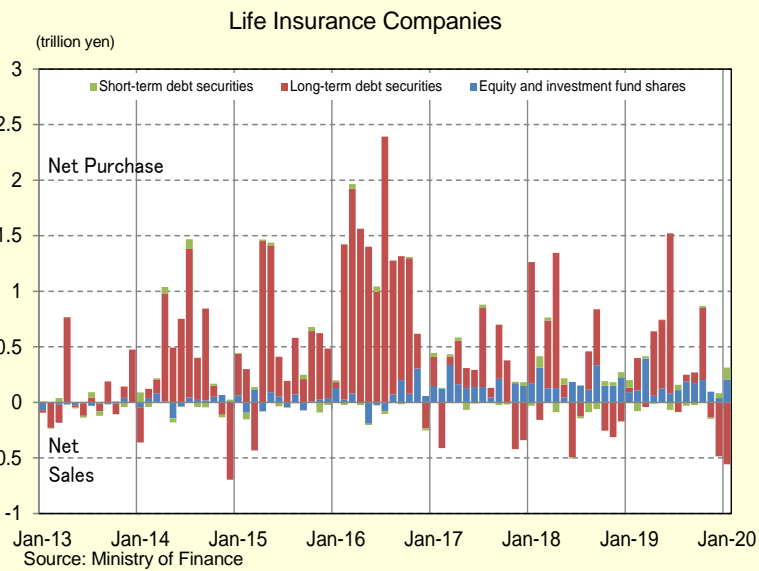
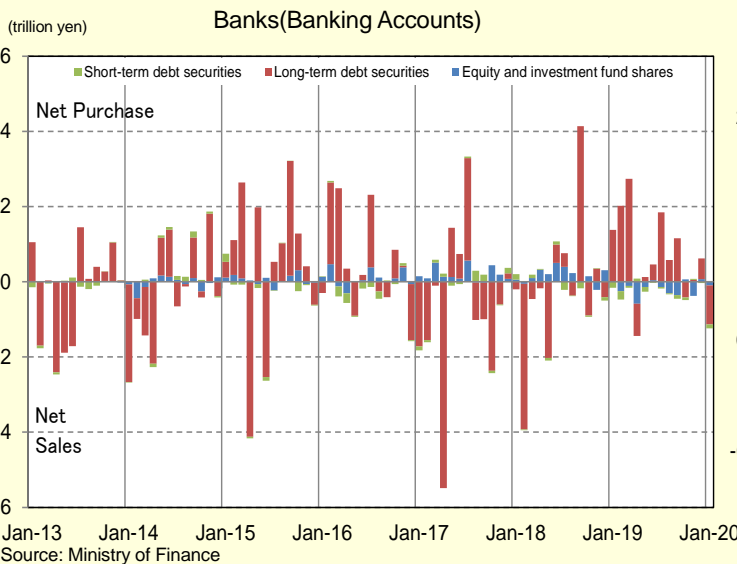
## BOJ Trends

	Apr 2013 (Actual)	Feb 2020 (Actual)
Monetary Base	155	516
JGBs	98	480
CP	1.4	2.2
Corporate Bonds	2.9	3.3
ETFs	1.7	28.9
J-REITs	0.13	0.56
<b>Total Assets</b>	<b>175</b>	<b>585</b>

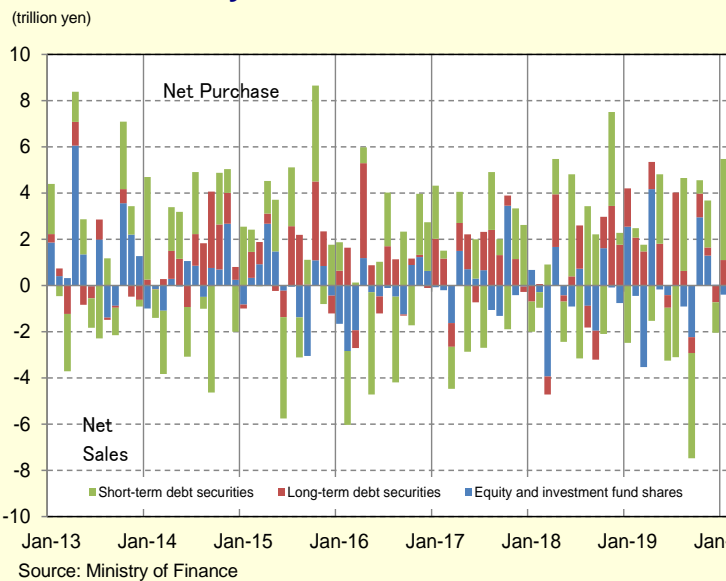


Source: Bank of Japan

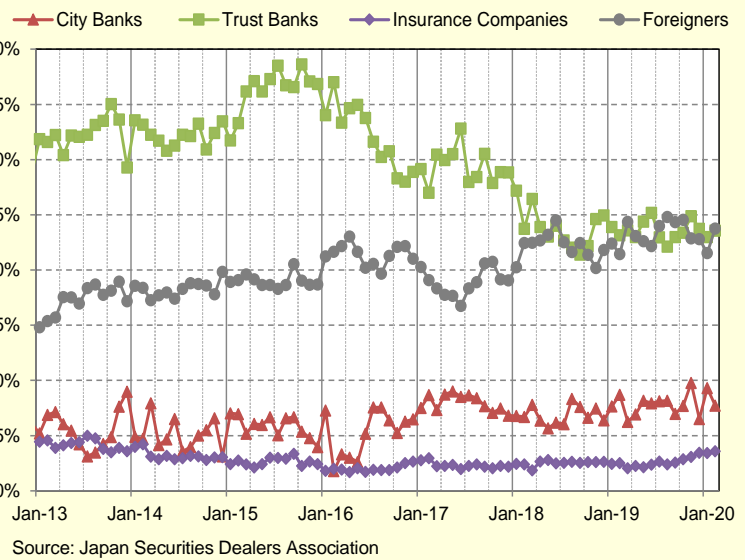
# Transactions of Foreign Securities by Residents (by Investor types)



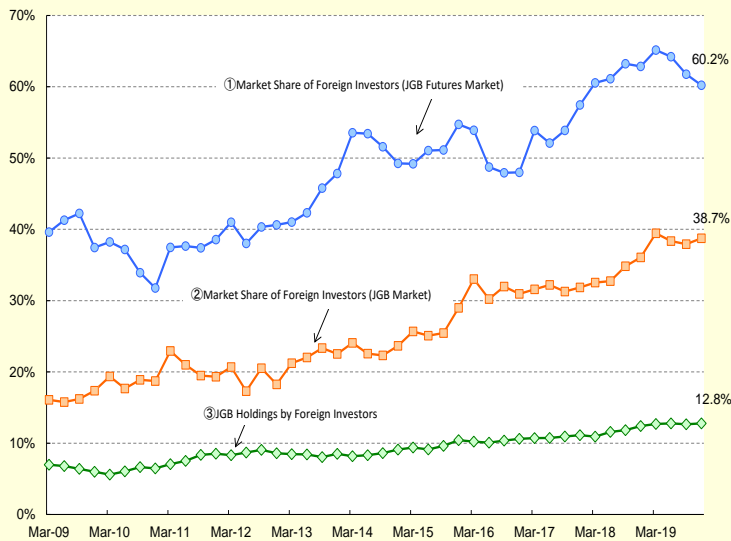
## Transactions of Domestic Securities by Non-Residents



## Outstanding of Repurchase Agreements (by Investor types)

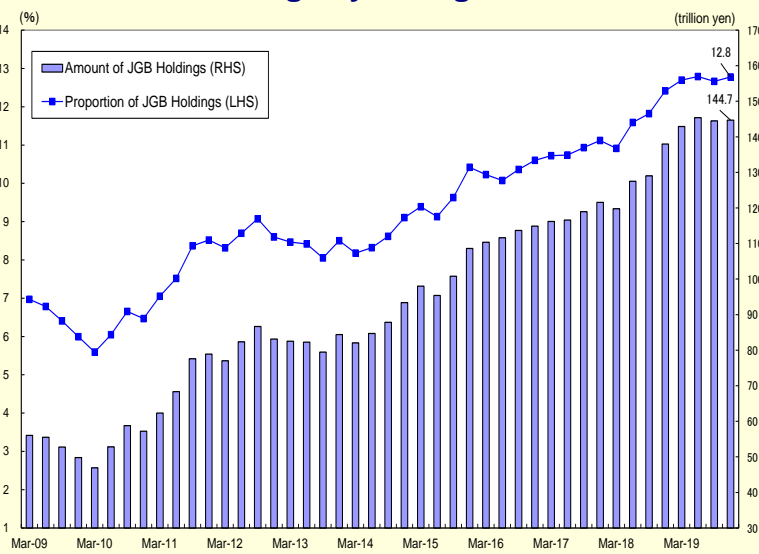


## Foreign Investors Presence



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

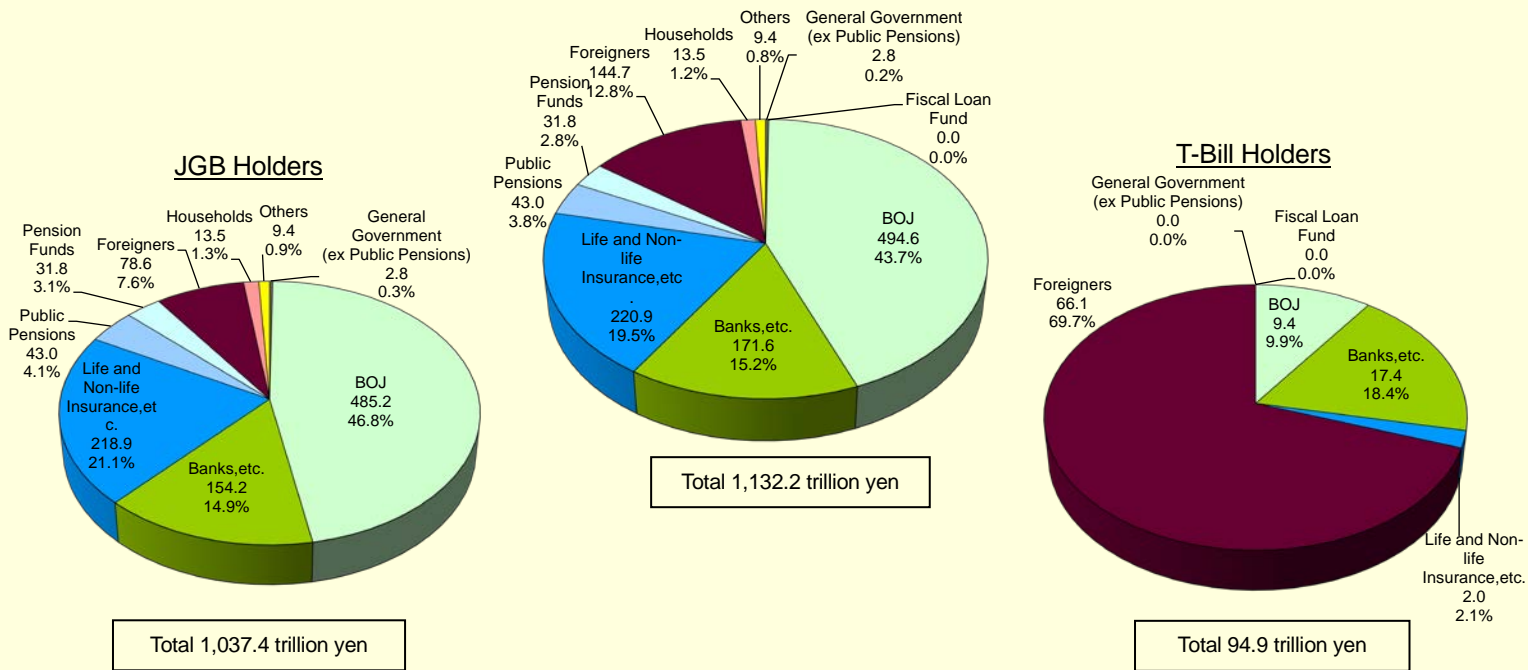
## JGBs Holdings by Foreign Investors



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)"

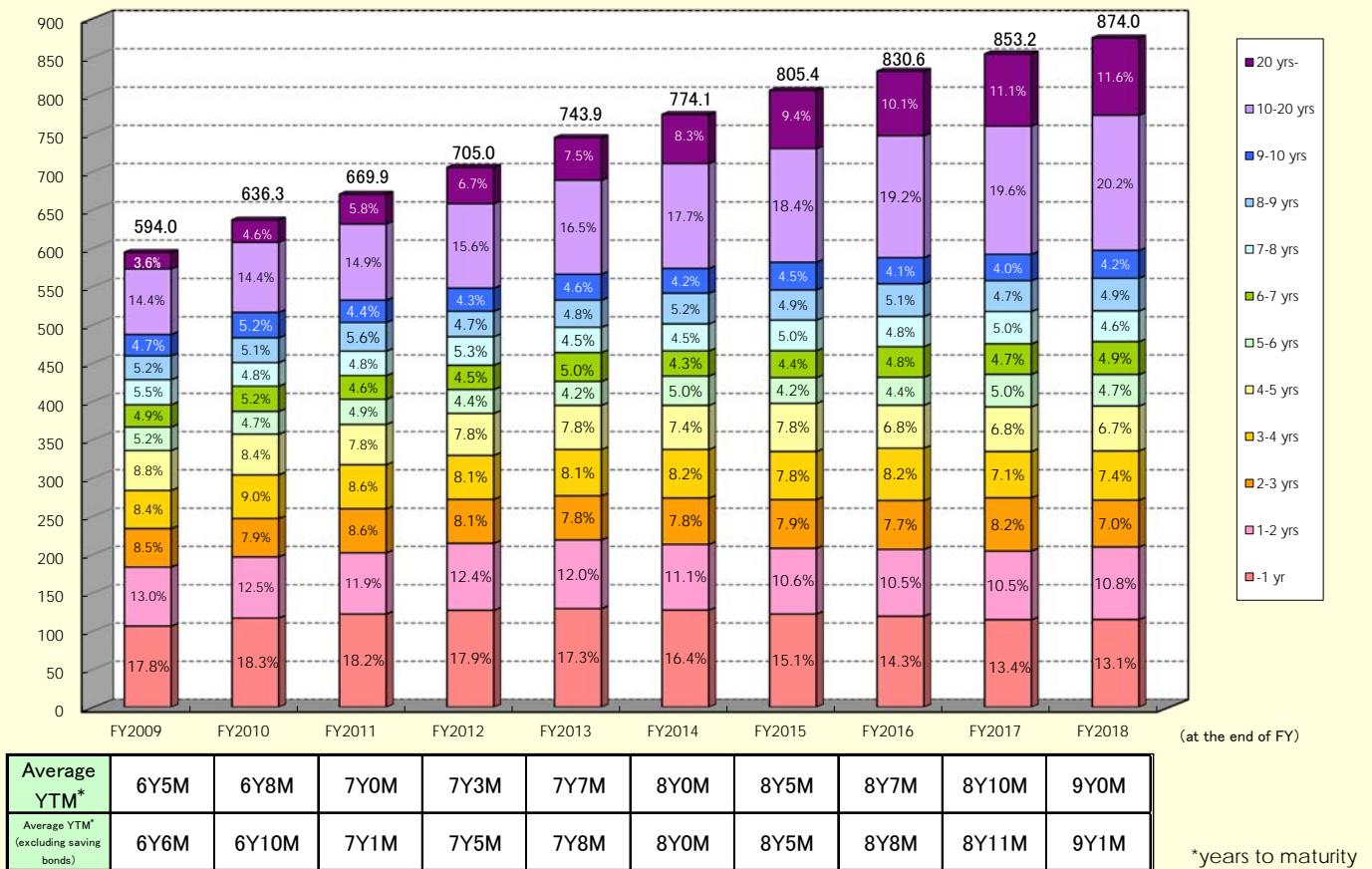
Note1: "JGB" includes "FILP Bonds."

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

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

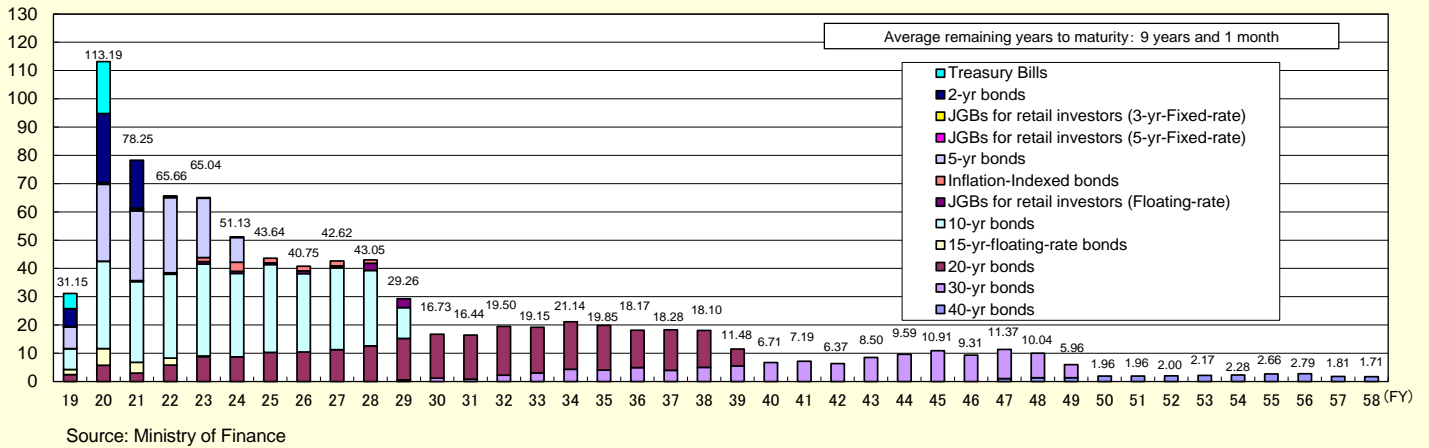
## Breakdown of Outstanding Amount of General Bonds by Remaining Years to Maturity

(Unit: trillion yen)



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

(trillion yen)



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

(billion yen)

Types	The amount of redemption at maturity	Scheduled redemption date
2-Year Bonds	2102.8	April 15
Treasury Bills	1,800.0	April 20
Total	3,902.8	

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

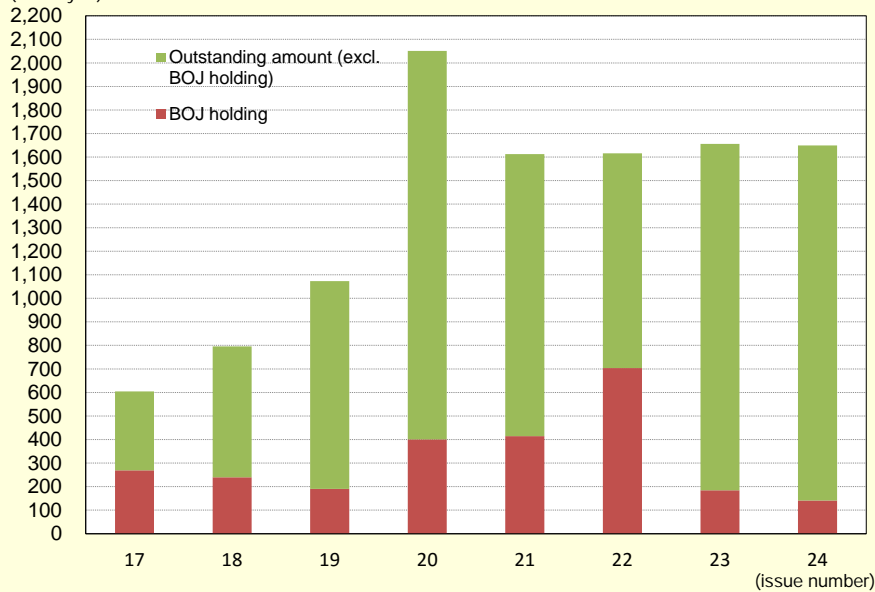
Note.3: The figures do not include "JGB for Retail Investors".

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 February, 2020)

(billion yen)

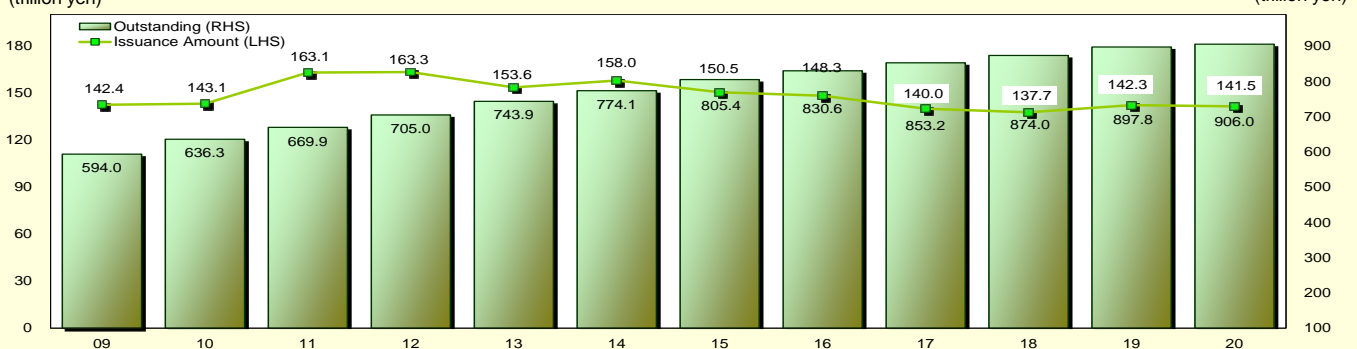


Source: Ministry of Finance, Bank of Japan

## General Bonds Issuance Amount and Outstanding

(trillion yen)

(trillion yen)



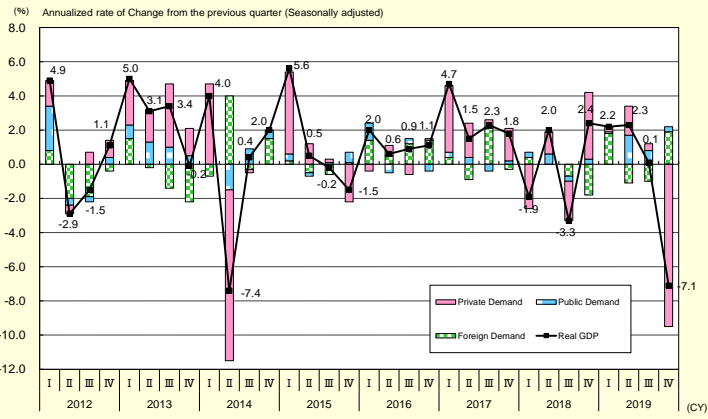
Note 1: Issuance Amount: revenue basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget

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

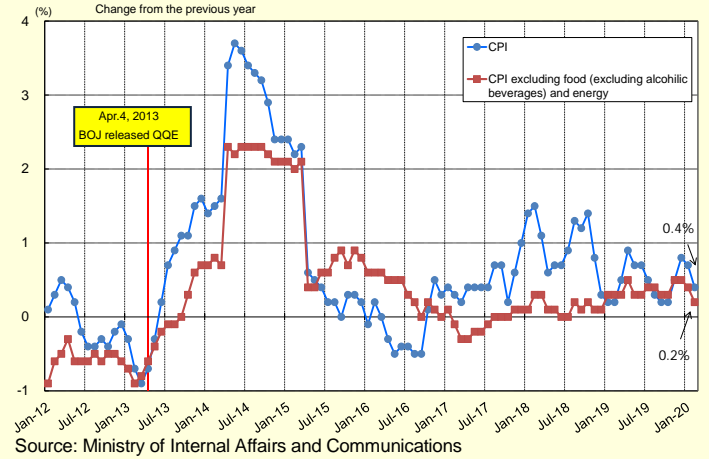
Source: Ministry of Finance

# Economic and Financial Trends

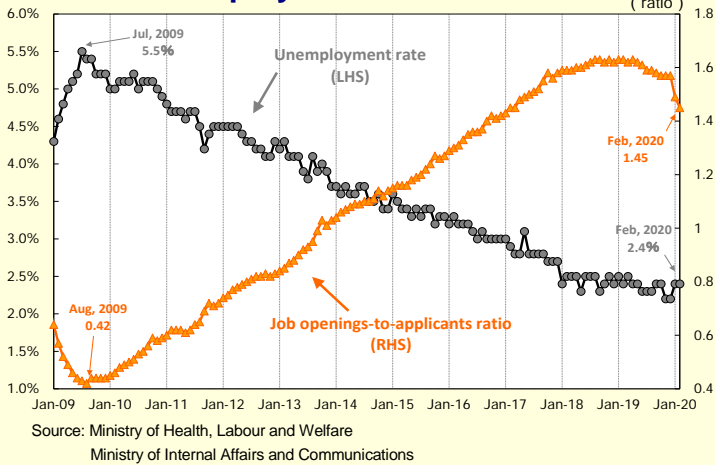
## Real GDP Growth Rate



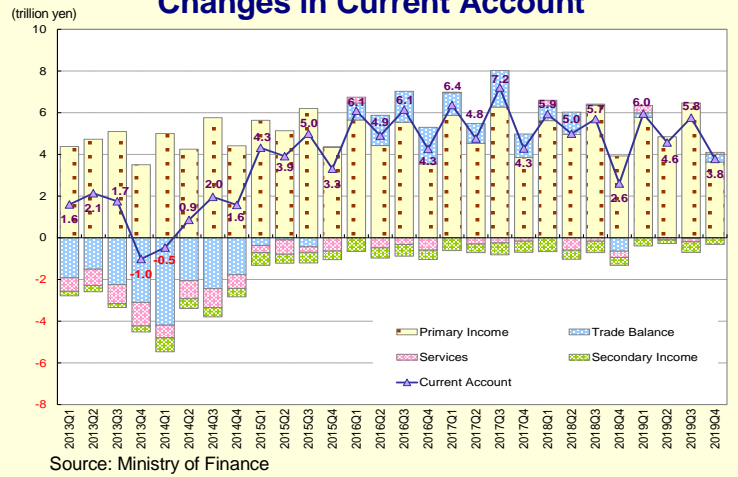
## Prices



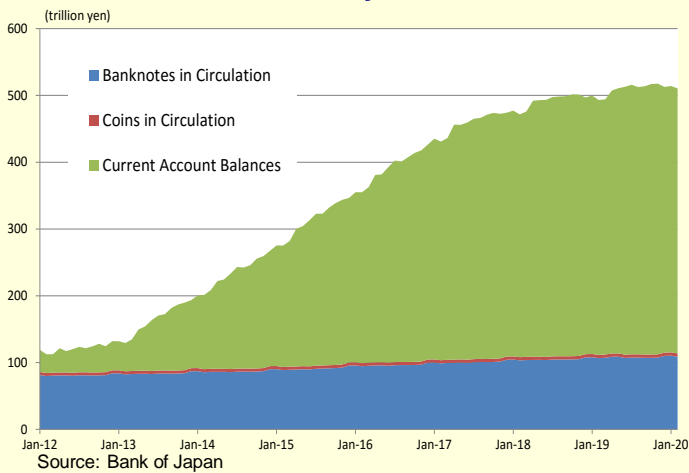
## Employment Conditions



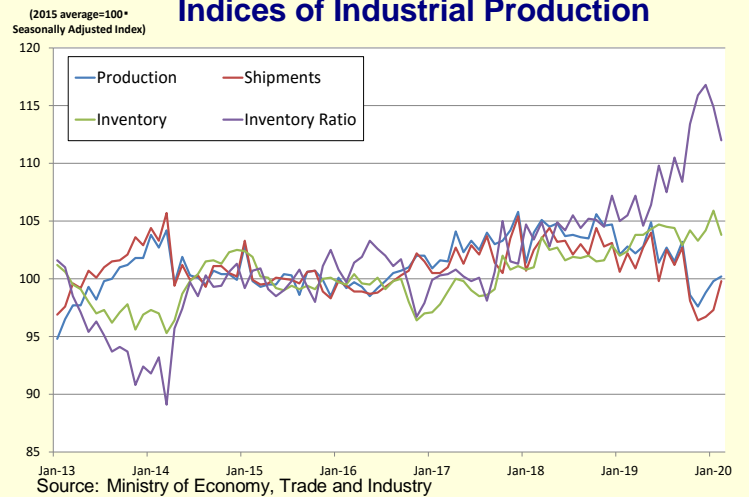
## Changes in Current Account



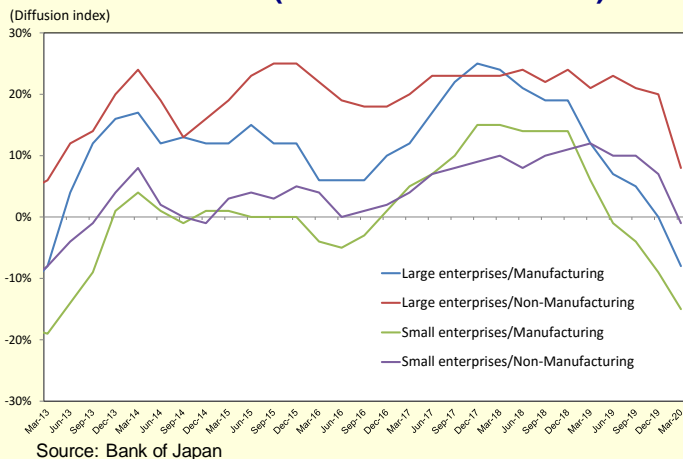
## Monetary Base



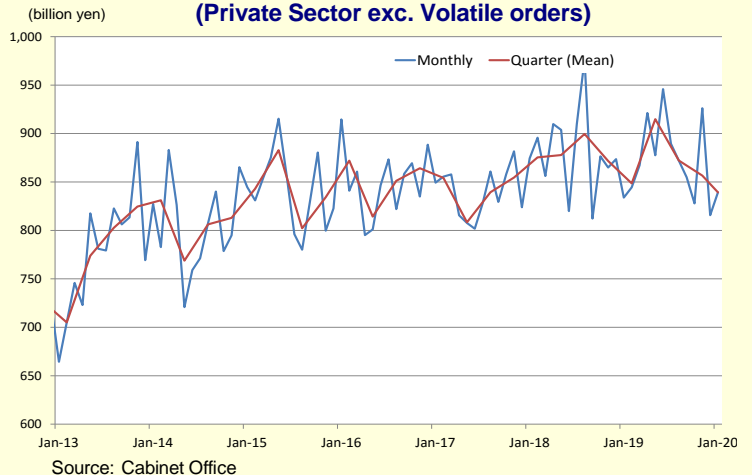
## Indices of Industrial Production



## TANKAN (Business Conditions)



## Total Value of Machinery Orders (Private Sector exc. 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/jgbs/debt_management/message.htm">https://www.mof.go.jp/english/jgbs/debt_management/message.htm</a>
About JGBs	As needed	<a href="https://www.mof.go.jp/english/jgbs/debt_management/guide.htm">https://www.mof.go.jp/english/jgbs/debt_management/guide.htm</a>
About the Debt Management Policy	As needed	<a href="https://www.mof.go.jp/english/jgbs/debt_management/about.htm">https://www.mof.go.jp/english/jgbs/debt_management/about.htm</a>
JGB Issuance Plan	As needed	<a href="https://www.mof.go.jp/english/jgbs/debt_management/plan/index.htm">https://www.mof.go.jp/english/jgbs/debt_management/plan/index.htm</a>
<b>Auction Calendar</b>		
Auction Calendar	Monthly	<a href="https://www.mof.go.jp/english/jgbs/auction/calendar/index.htm">https://www.mof.go.jp/english/jgbs/auction/calendar/index.htm</a>
Historical Data of Auction Results	Monthly	<a href="https://www.mof.go.jp/english/jgbs/auction/past_auction_results/index.html">https://www.mof.go.jp/english/jgbs/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/jgbs/topics/bond/index.html">https://www.mof.go.jp/english/jgbs/topics/bond/index.html</a>
Treasury Discount Bills (T-Bills)	As needed	<a href="https://www.mof.go.jp/english/jgbs/topics/t_bill/index.htm">https://www.mof.go.jp/english/jgbs/topics/t_bill/index.htm</a>
Japanese Government Guaranteed Bonds	Annual	<a href="https://www.mof.go.jp/english/jgbs/topics/gov_quaranteed_bonds/index.htm">https://www.mof.go.jp/english/jgbs/topics/gov_quaranteed_bonds/index.htm</a>
Interest Rate Swap	Semiannual	<a href="https://www.mof.go.jp/english/jgbs/topics/swap/index.htm">https://www.mof.go.jp/english/jgbs/topics/swap/index.htm</a>
Taxation of Government Bonds	As needed	<a href="https://www.mof.go.jp/english/jgbs/topics/taxation2016/index.html">https://www.mof.go.jp/english/jgbs/topics/taxation2016/index.html</a>
For Individual Investors	As needed	<a href="https://www.mof.go.jp/english/jgbs/topics/individual/index.htm">https://www.mof.go.jp/english/jgbs/topics/individual/index.htm</a>
<b>Data</b>		
Central Government Debt	Quarterly	<a href="https://www.mof.go.jp/english/jgbs/reference/qbb/index.htm">https://www.mof.go.jp/english/jgbs/reference/qbb/index.htm</a>
Interest Rate	Daily	<a href="https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm">https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm</a>
STRIPS	Monthly	<a href="https://www.mof.go.jp/english/jgbs/reference/jgbstat/index.htm">https://www.mof.go.jp/english/jgbs/reference/jgbstat/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/jgbsp/index.html">https://www.mof.go.jp/english/about_mof/councils/jgbsp/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/jgbs/publication/debt_management_report/index.htm">https://www.mof.go.jp/english/jgbs/publication/debt_management_report/index.htm</a>
JGB Newsletter	Monthly	<a href="https://www.mof.go.jp/english/jgbs/publication/newsletter/index.htm">https://www.mof.go.jp/english/jgbs/publication/newsletter/index.htm</a>

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

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