

November
2023
Newsletter

JAPANESE GOVERNMENT BONDS

Ministry of Finance, Japan



Cover Photo: Trees in front of the MOF building in November

Greetings from the IR office, the Ministry of Finance, Japan.

Over the last month, leaves in the Tokyo Metropolitan area, including in the ones in front of our building (cover photo), have changed their color, reminding us of the transition into autumn, while winter is already around the corner. In this newsletter, we picked up several events relevant to the JGB investors.

First, in this month, the Kishida Cabinet decided a fiscal package proposal for FY2023, and the MOF announced the revision of the JGB Issuance Plan for FY2023 on November 10. An update on central government debt was released on the same day. On the so-called GX bonds, the “Preliminary Advisory on Japan Climate Transition Bonds” was released on November 8 to guide market participants to adapt their trading and related systems.

Second, the BOJ released the quarterly Outlook for Economic Activity and Prices (Outlook Report) on October 31, 2023, which gives you an updated assessment and outlook for the Japanese economy.

Last but not least, Mr. Takahiro Tsuji, Deputy Director-General in charge of JGB delivered a presentation on Japan’s economy and public debt management at a conference held in Tokyo. We will continue to place the highest importance on the engagement with the JGB investors.

Table of contents

What’s New:

Revision in the JGB Issuance Plan for FY2023 (Supplementary Budget)	p. 2
Preliminary Advisory on Japan Climate Transition Bonds	p. 3
Central Government Debt (As of the end of September 2023)	p. 4

Monthly Topic:

BOJ’s Outlook for Economic Activity and Prices (October 2023)	p. 5
---	------

IR Office:

Daiwa Capital Markets Conference 2023, etc.	p. 6
---	------

Statistics

JGB Primary Market: Auction Results	p. 8
JGB Primary Market: Auction Calendar	p. 9
Liquidity Enhancement Auctions and JGB Buy-Back	p. 10
JGB Secondary Market	p. 11
Investor Trends and JGB Outstanding	p. 13
Economic and Financial Trends	p. 17
Information	p. 18

What's New 1: Revision in the JGB Issuance Plan for FY2023 (Supplementary Budget)

On November 10, the Kishida Cabinet approved a fiscal package proposal for FY2023, and the MOF announced the revision in the JGB Issuance Plan for FY2023.

The MOF will issue additional Newly-issued Bonds worth about 8.9 trillion yen to raise funds for the supplementary budget (see the first row of the left table below). Since FILP Bonds, Refunding Bonds, etc. will be reduced, the total amount of issuance will increase by about 0.4 trillion yen (see the last row of the left table below).

The total amount of JGB Market Issuance (Calendar Base) is unchanged from the FY2023 initial budget (see the first row of the right table below).

FY2023 JGB Issuance Plan

<Breakdown by Legal Grounds>		(billion yen)		
	FY2023(Initial)	FY2023(Supplementary Budget)		
	(a)	(b)	(b) - (a)	
Newly-issued Bonds	35,623.0	44,498.0	8,875.0	
Construction Bonds	6,558.0	9,068.0	2,510.0	
Special Deficit-Financing Bonds	29,065.0	35,430.0	6,365.0	
GX Economy Transition Bonds	506.1	1,547.8	1,041.6	
Reconstruction Bonds	99.8	—	▲ 99.8	
FILP Bonds	12,000.0	5,000.0	▲ 7,000.0	
Refunding Bonds	157,551.3	155,090.2	▲ 2,461.1	
Total	205,780.3	206,136.0	355.7	

<Breakdown by Financing Methods>		(billion yen)		
	FY2023(Initial)	FY2023(Supplementary Budget)		
	(a)	(b)	(b) - (a)	
JGB Market Issuance (Calendar Base)	190,300.0	190,300.0	—	
Non-Price Competitive Auction II, etc.	6,963.0	6,402.7	▲ 560.3	
Adjustment between fiscal years	3,017.3	3,933.3	916.0	
Subtotal Financed in the Market	200,280.3	200,636.0	355.7	
Sales for Households	3,500.0	3,500.0	—	
BOJ Rollover	2,000.0	2,000.0	—	
Total	205,780.3	206,136.0	355.7	

- Buy-back program in FY2023 is planned to be implemented based on market conditions and through discussions with market participants.
- The maximum amount of front-loading issuance of Refunding Bonds in FY2023 is 35 trillion yen.

(Note 1) Figures may not sum up to the total because of rounding.

(Note 2) "JGB Market Issuance (Calendar Base)" refers to JGBs issued at face value by scheduled auctions from April to next March (periodic auctions).

(Note 3) Non-price competitive auction II is an additional issuance for JGB Market Special Participants after the normal auction (the amount assignable to each Market Special Participant does not exceed 10% of the amount awarded to it in the normal auction), and the price for the additional issuance is equal to the weighted average accepted price in the normal auction.

The amount of the non-price competitive auction II of the Initial Plan for FY2023 is calculated by multiplying the amount of "JGB Market Issuance (Calendar Base)" (40-year, 30-year, 20-year, 10-year, 5-year and 2-year bonds) by 5.5%.

"Non-Price Competitive Auction II, etc." includes estimated gap between the amount of the Calendar Base (of the bonds listed above) at face value and actual revenues of the auctions, in addition to the issuance of Non-Price Competitive Auction II.

(Note 4) "Adjustment between fiscal years" refers to leveling-off of the issuance between fiscal years through front-loading issuance and deferred issuance during an accounting adjustment period.

(Note 5) In the above table, GX Economy Transition Bonds and Refunding Bonds for GX Economy Transition Bonds for FY2023 (*1) are organized on the assumption that they will be issued as the same financial instruments as other JGBs. However, it is being considered to issue them basically as government transition bonds named "Japan Climate Transition Bonds." (*2)

The government will determine the issuance amount of Japan Climate Transition Bonds to be issued by the end of March 2024, taking into account the budget execution status and market environment, considering deferred issuance during the accounting adjustment period (until the end of June in the next fiscal year), etc.

(*1) GX Economy Transition Bonds for FY2023: 1.5 trillion yen, Refunding Bonds for GX-related expenses incorporated in advance in the Second Supplementary Budget for FY2022: 1.1 trillion yen

(*2) For Japan Climate Transition Bonds, the government formulated a framework that indicates the use of proceeds and obtained the second party opinions from the external reviewers.

What's New 2: Preliminary Advisory on Japan Climate Transition Bonds

The Japanese government will issue the world's first sovereign transition bond, or "Japan Climate Transition Bond" within this fiscal year in conformity with international standards. Ahead of this, the MOF released the "Preliminary Advisory on Japan Climate Transition Bonds" on November 8. Please see below for details.

Preliminary Advisory on Japan Climate Transition Bonds

The Ministry of Finance of Japan is undertaking concrete steps to issue Japan Climate Transition Bonds as its new financial instruments. As the new financial tool undergoes a final review, this preliminary advisory will serve as an advance reference to guide market participants in the adaptation and preparation of their trading and related systems.

Please be advised that the below table on the Japan Climate Transition Bonds characteristics may be subject to further refinement and that the official announcement will be made in early December 2023.

Name	Climate Transition INT-Bearing GOVT BD ¹
Tenor	2-, 5-, 10-, or 20-Year ²
Maturity date	Similar to existing Japanese Government Bonds (JGBs). (The redemption date in the year of maturity falls on the 20 th day of the final month in the preceding quarter of the issuance date, namely March, June, September, or December for 5-, 10-, or 20-year bonds; or the 1 st day of the month of the issuance for 2-year bonds.)
Interest Payment dates	Similar to existing JGBs. (Semi-annual interest payments are due on the 20 th day of March and September, or June and December, which are aligned with the maturity dates for 5-, 10-, or 20-year bonds; or the 1 st day of the month of the issuance and the 1 st day of the month 6 months after the issuance for 2-year bonds.)
Coupon rate ticks	Similar to existing JGBs. (Fixed-coupon rate is set in percentage with one decimal place except for the minimal coupon rate which will be set at 0.005%.)
STRIPS	Similar to existing JGBs. (Only JGB Market Special Participants can apply for the separation to and integration of STRIPS bonds.)
Issuance methods	Public auction (Dutch-style yield-competitive auction.)
Other items	Non-Competitive Auction, Non-Price Competitive Auction I&I, Liquidity Enhancement Auction, and Buy-back program are NOT offered.

Note 1: Please refer to the announcement by the Securities Identification Code Committee.

<https://www.jpx.co.jp/sicc/securities-code/index.html> (in Japanese only)

Note 2: It is contemplated that 2 tenors of Japan Climate Transition Bonds will be issued within the current fiscal year.

(Source) MOF

https://www.mof.go.jp/jgbs/topics/JapanClimateTransitionBonds/Preliminary_Advisory_on_Japan_Climate_Transition_Bonds.pdf

What's New 3: Central Government Debt (As of the end of September 2023)

On November 10, the MOF released an update on central government debt. Outstanding debt and its composition as of the end of September 2023 are as follows:

Main Points

- Outstanding government bonds and borrowings decreased to 1,275.6 trillion yen from the end of June (1,276.3 trillion yen) by 0.7 trillion yen. The total amount for General Bonds and FBs increased by 0.8 trillion yen and 3.7 trillion yen respectively, while FILP Bonds, Borrowings and Subsidy Bonds, and others decreased by 3.7 trillion yen and 1.5 trillion yen respectively. The total amount for General Bonds was the highest amount ever.
- Long-term outstanding central government debt, which does not include FILP Bonds, FBs or some of the borrowings related to local governments, increased to 1,053.9 trillion yen from the end of June (1,053.2 trillion yen), which was the highest amount ever.

Central Government Debt

	The end of September 2023 (Actual)	Increase or Decrease (-) from the end of the Previous Quarter
1) Outstanding Government Bonds and Borrowings		
General Bonds	1,027.4	0.8
Fiscal Investment and Loan Program Bonds (FILP Bonds)	94.6	- 3.7
Borrowings, Subsidy Bonds, etc.	54.3	- 1.5
Financing Bills (FBs)	99.3	3.7
Total	1,275.6	- 0.7
2) Outstanding Government-Guaranteed Debts		
Government-Guaranteed Debts	29.6	- 0.6

- Notes: 1. Figures may not add up to the total because of rounding.
 2. "Outstanding Government Bonds and Borrowings" include government bonds held by and borrowings within the 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 the end of December 2023 will be released on February 9, 2024.

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.

	The end of September 2023 (Actual)	The end of FY2023 (Estimate)
① General Bonds	1,027.4	1,068
② Fiscal Investment and Loan Program Bonds (FILP Bonds)	Not included	Not included
③ Borrowings, Subsidy Bonds, etc. (Note 1)	26.4	29 (Note1)
④ Financing Bills (FBs)	Not included	Not included
Long-term debt outstanding of central government	1,053.9	1,097
⑤ Long-term debt outstanding of local governments	(Note 2)	183
Long-term debt outstanding of central and local governments	(Note 2)	1,280

Note 1: The borrowings of the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax (as of the end of FY2023: approx. 28 trillion yen) 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.

Details: <https://www.mof.go.jp/english/policy/jgbs/reference/gbb/e202309.html>

Monthly Topic: BOJ's Outlook for Economic Activity and Prices (October 2023)

The BOJ released the quarterly Outlook for Economic Activity and Prices (Outlook Report) on October 31, 2023.

The BOJ decided the text of the Outlook Report at the Monetary Policy Meetings held on October 30 and 31, 2023. The Outlook Report presents the BOJ's outlook for developments in economic activity and prices, assesses upside and downside risks, and outlines its views on the future course of monetary policy. Here is the summary of the BOJ's views:

Summary

- Japan's economy is likely to continue recovering moderately for the time being, supported by factors such as the materialization of pent-up demand, although it is expected to be under downward pressure stemming from a slowdown in the pace of recovery in overseas economies. Thereafter, as a virtuous cycle from income to spending gradually intensifies, Japan's economy is projected to continue growing at a pace above its potential growth rate.
- The year-on-year rate of increase in the consumer price index (CPI, all items less fresh food) is likely to be above 2 percent through fiscal 2024, mainly due to the remaining effects of a pass-through to consumer prices of cost increases led by the past rise in import prices and the effects of the recent rise in crude oil prices. As for fiscal 2025, the rate of increase in the CPI is projected to decelerate owing to dissipation of these effects. Meanwhile, toward the end of the projection period, underlying CPI inflation is likely to increase gradually toward achieving the price stability target, as the output gap turns positive and as medium- to long-term inflation expectations and wage growth rise.
- Comparing the projections with those presented in the previous Outlook for Economic Activity and Prices (Outlook Report), the projected real GDP growth rate for fiscal 2023 is higher. The projected year-on-year rate of increase in the CPI (all items less fresh food) for fiscal 2023 is somewhat higher, mainly because, while the government's economic measures will push down energy prices, cost increases have been passed on to consumer prices to a greater extent than expected. The projected rate of increase in this CPI for fiscal 2024 is significantly higher, mainly due to the effects of the recent rise in crude oil prices and to a waning of the effects of the economic measures pushing down energy prices of the previous year.
- Concerning risks to the outlook, there are extremely high uncertainties surrounding Japan's economic activity and prices, including developments in overseas economic activity and prices, developments in commodity prices, and domestic firms' wage- and price-setting behavior. Under these circumstances, it is necessary to pay due attention to developments in financial and foreign exchange markets and their impact on Japan's economic activity and prices.
- With regard to the risk balance, risks to economic activity are generally balanced for fiscal 2023 and 2024 but are skewed to the downside for fiscal 2025. Risks to prices are skewed to the upside for fiscal 2023. In terms of prices, it should be noted that, mainly due to the experience of prolonged low growth and deflation, the behavior and mindset based on the assumption that wages and prices will not increase easily have taken hold in society. Considering this, it is important to closely monitor whether a virtuous cycle between wages and prices will intensify.



For more information, please see: <https://www.boj.or.jp/en/mopo/outlook/index.htm/>

IR Office

1. Daiwa Capital Markets Conference 2023

On November 9, Mr. Takahiro Tsuji, Deputy Director-General, Financial Bureau, presented “Japan’s Economy and Public Debt Management” at the “Daiwa Capital Markets Conference 2023” in Tokyo. This conference was organized by Daiwa Securities Co. Ltd., and approximately 350 participants, including institutional investors and investment funds managers from across the globe, attended it. The summary of his presentation is as follows:

1. Economic Outlook and Policy

- The Cabinet approved the package of economics measures on November 2 to address the impact of higher prices as well as facilitate sustained pay increases and growth potential.

2. Fiscal Condition and Policy

- The government aims to achieve its fiscal consolidation target of a primary balance surplus of the national and local government by FY2025, while steadily reducing the public debt GDP ratio at the same time.

3. Debt Management

- JGB issuance plan should be formulated in line with market trends and needs. At the same time, securing predictability and transparency is needed to reduce risk of JGB investment.
- As for the maturity composition of the amount, the MOF promotes careful dialogues with the market through such forums as the Meeting of JGB Market Special Participants (PDs) to minimize the impact on the market.

4. GX

- The Japanese government will issue the world’s first sovereign transition bond this fiscal year, which is named “Japan Climate Transition Bond”, in conformity with international standards.
- As an issuer, we established the “Framework” based on international standards for Transition Bonds, outlining the use of proceeds, etc., and obtained the Second Party Opinion (SPO) from external reviewers to confirm the alignment with these standards.

We were grateful to meet with many investors face-to-face at the conference, and hope that this presentation helped investors better understand Japan’s economy and public debt management. We will continue to provide accurate and timely information to our investors.



IR Office



2. IR Activities in Singapore

Mr. Takeharu Tominaga, Senior Deputy Director for Market Finance Division, and Mr. Shinya Iida, Researcher, held meetings with JGB investors including hedge funds and other institutional investors in Singapore. Meetings focused on Debt Management Policy, JGB instruments and the functionality of its secondary markets as well as its new financial instruments or the Japan Climate Transition Bonds.

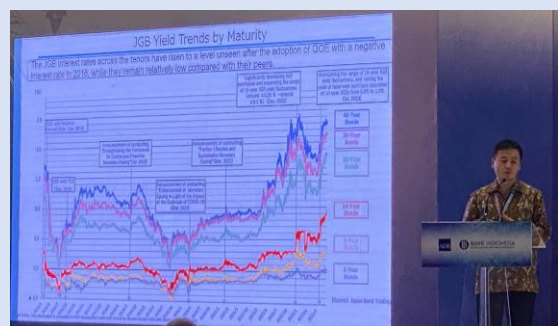


3. 2023 Asian Regional Forum on Investment Management of Foreign Exchange Reserves

Following the IR meetings in Singapore, Mr. Tominaga and Mr. Iida attended the “2023 Asian Regional Forum on Investment Management of Foreign Exchange Reserves” held in Indonesia from October 25 to 27. The forum was co-organized by the Asian Development Bank and Bank Indonesia. About 125 delegates joined the event, including representatives from central banks, finance ministries, the private sector, and ADB.

Together with speakers from the Australian Office of Financial Management and S&P Global Ratings, Mr. Tominaga served as a panelist and delivered a presentation on Overview of JGBs from both its primary and secondary market perspectives. He explained several measures to ensure the smooth issuance of JGB and to support the liquidity of the JGB market, based on a close dialogue with market participants.

Questions from the floor included one on the communication between the central bank and the Finance Ministry, and the reason behind Japan issuing GX bonds as such. The participants exchanged frank and candid views under Chatham House Rule.



JGB Primary Market: Auction Results

Bonds

(Until 31 October 2023)

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)
8/1/2023	10-year	371	6/20/2033	0.4%	7,930.1	2,180.9	0.603%	0.594%	1,414	517.3	189.2
8/3/2023	10-year Inflation-Indexed Bonds	28	3/10/2033	0.005%	726.3	249.9	-0.510%	-	-	-	-
8/8/2023	30-year	79	6/20/2053	1.2%	2,548.0	727.1	1.595%	1.593%	-	172.1	73.1
8/15/2023	5-year	160	6/20/2028	0.2%	6,755.7	2,019.0	0.195%	0.189%	1,000	479.3	0.0
8/17/2023	20-year	185	6/20/2043	1.1%	2,774.4	992.5	1.385%	1.322%	-	207.4	0.0
8/29/2023	2-year	452	9/1/2025	0.005%	7,513.8	2,343.7	0.020%	0.011%	0,000	555.6	0.0
9/5/2023	10-year	371	6/20/2033	0.4%	8,730.7	2,172.2	0.668%	0.657%	1,397	525.8	218.7
9/7/2023	30-year	79	6/20/2053	1.2%	2,508.7	724.9	1.656%	1.640%	-	174.7	0.0
9/12/2023	5-year	161	6/20/2028	0.3%	8,913.7	2,019.0	0.295%	0.291%	1,000	479.3	248.8
9/14/2023	20-year	185	6/20/2043	1.1%	3,823.8	970.0	1.437%	1.433%	-	229.3	119.1
9/26/2023	40-year	16	3/20/2063	1.3%	2,063.8	699.6	1.725%	-	-	-	0.0
9/28/2023	2-year	453	10/1/2025	0.005%	7,735.8	2,363.2	0.050%	0.045%	0,000	536.1	178.3
10/3/2023	10-year	372	9/20/2033	0.8%	8,569.7	2,178.5	0.770%	0.768%	1,344	519.6	187.5
10/5/2023	30-year	80	9/20/2053	1.8%	2,234.6	730.6	1.716%	1.691%	-	169.3	0.0
10/11/2023	5-year	162	9/20/2028	0.3%	8,211.1	2,024.3	0.334%	0.330%	1,330	473.6	175.1
10/17/2023	20-year	186	9/20/2043	1.5%	2,883.8	970.1	1.589%	1.553%	-	229.5	25.4
10/30/2023	2-year	454	11/1/2025	0.1%	7,156.6	2,350.6	0.115%	0.106%	0,000	549.0	0.0

Treasury Discount Bills

(Until 31 October 2023)

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)
8/4/2023	3-month	1173	11/6/2023	13,823.50	4,687.61	-0.0962%	-0.1014%	1,112.30
8/9/2023	6-month	1174	2/13/2024	11,726.90	3,296.88	-0.1423%	-0.1618%	703.10
8/10/2023	3-month	1175	11/13/2023	14,584.60	4,687.64	-0.1042%	-0.1110%	1,112.30
8/17/2023	1-year	1176	8/20/2024	8,368.70	2,918.49	-0.0559%	-0.0679%	581.50
8/18/2023	3-month	1177	11/20/2023	15,864.10	4,688.63	-0.1082%	-0.1154%	1,111.30
8/25/2023	3-month	1178	11/27/2023	18,811.00	4,660.18	-0.1483%	-0.1483%	1,139.80
9/1/2023	3-month	1179	12/4/2023	12,159.79	4,688.63	-0.1503%	-0.1663%	1,111.30
9/7/2023	6-month	1180	3/11/2024	12,350.70	3,238.06	-0.1462%	-0.1603%	761.90
9/8/2023	3-month	1181	12/11/2023	14,155.20	4,526.28	-0.1363%	-0.1491%	1,073.70
9/15/2023	3-month	1182	12/18/2023	14,670.60	4,526.22	-0.1337%	-0.1406%	1,073.70
9/19/2023	1-year	1183	9/20/2024	9,554.50	2,921.59	-0.0189%	-0.0378%	578.40
9/21/2023	3-month	1184	12/25/2023	14,725.21	4,526.25	-0.1383%	-0.1507%	1,073.70
9/29/2023	3-month	1185	1/9/2024	14,780.70	4,560.07	-0.2468%	-0.2685%	1,039.90
10/5/2023	6-month	1186	4/10/2024	12,249.70	3,368.65	-0.1494%	-0.1674%	631.30
10/6/2023	3-month	1187	1/15/2024	13,075.89	4,539.07	-0.1955%	-0.2177%	1,060.90
10/13/2023	3-month	1188	1/22/2024	13,949.50	4,539.06	-0.1824%	-0.1972%	1,060.90
10/19/2023	1-year	1189	10/21/2024	10,989.90	2,890.17	-0.0208%	-0.0308%	609.80
10/20/2023	3-month	1190	1/29/2024	13,640.00	4,539.04	-0.1824%	-0.1928%	1,060.90
10/27/2023	3-month	1191	2/5/2024	13,138.58	4,539.03	-0.1805%	-0.1891%	1,060.90

JGB Primary Market: Auction Calendar

November 2023

Auction Date	Issue
11/2	T-Bills (3-month)
11/2	10-year
11/7	10-year Inflation-Indexed Bonds
11/9	T-Bills (6-month)
11/9	30-year
11/10	T-Bills (3-month)
11/14	5-year
11/16	T-Bills (1-year)
11/16	Liquidity Enhancement Auction (remaining maturities of 1-5 years)
11/17	T-Bills (3-month)
11/21	20-year
11/24	T-Bills (3-month)
11/24	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
11/28	40-year
11/30	2-year

December 2023

Auction Date	Issue
12/1	T-Bills (3-month)
12/5	10-year
12/7	T-Bills (6-month)
12/7	30-year
12/8	T-Bills (3-month)
12/12	5-year
12/14	20-year
12/15	T-Bills (3-month)
12/18	T-Bills (1-year)
12/20	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
12/22	T-Bills (3-month)
12/22	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)
12/26	2-year

January 2024

Auction Date	Issue
1/5	T-Bills (3-month)
1/5	Liquidity Enhancement Auction (remaining maturities of 1-5 years)
1/9	T-Bills (6-month)
1/10	10-year
1/12	T-Bills (3-month)
1/12	30-year
1/16	5-year
1/18	T-Bills (1-year)
1/18	20-year
1/19	T-Bills (3-month)
1/22	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
1/25	40-year
1/26	T-Bills (3-month)
1/30	2-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.

Top10 PDs for Successful Bids in Auctions (Weighted by Duration) May. 2023 - Oct. 2023

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

Top5 PDs for Successful Bids of JGBi FY2022

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

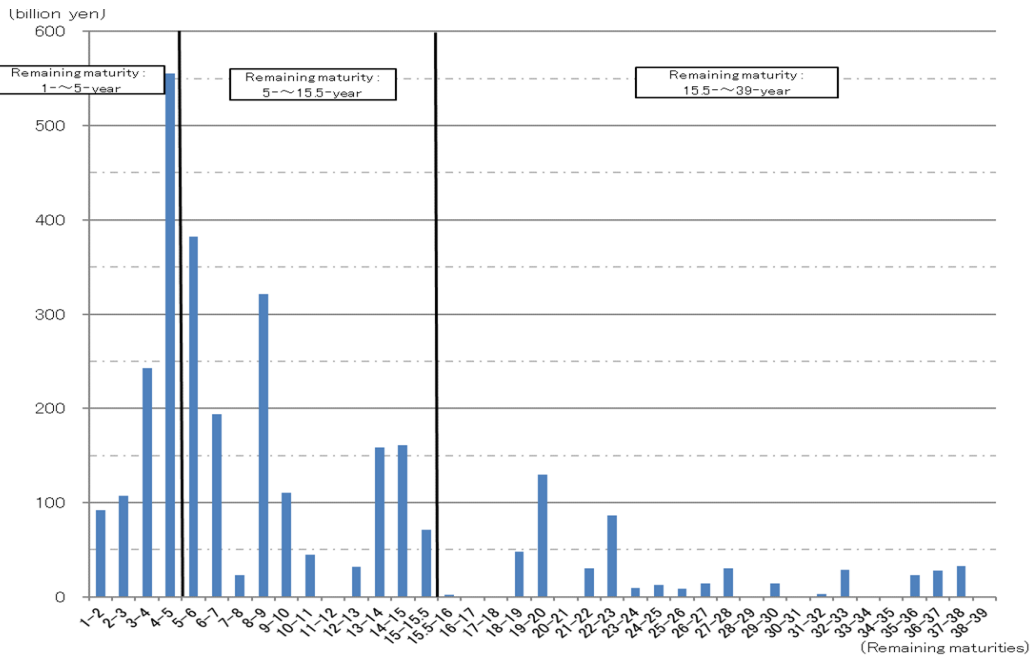
Liquidity Enhancement Auctions and JGB Buy-Back

Results of Liquidity Enhancement Auctions

(Until 31 October 2023)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
8/22/2023	1,798.2	498.9	+0.005%	+0.006%	10-year (352,353,354,355,368,369) 20-year (105,107,108,112,114,115,116,117,142,146,148) 30-year (3,4,7,9,10,11,13)
8/24/2023	1,452.0	499.7	-0.038%	-0.031%	20-year (169,178,179,181,182,184) 30-year (35,36,37,38,39,47,48,51,52,53,58,59,60,65,68,71,74) 40-year (2,6,8,9,12,13,14)
9/19/2023	1,733.9	498.5	-0.002%	-0.001%	5-year (143,144,145,147,149,152,155) 10-year (335,338,341,342,345,346,350,351) 20-year (73,75,76,77,78,79,82,83,84,87,89,90,92,100,101,103)
9/21/2023	1,639.6	499.0	+0.009%	+0.013%	10-year (352,353,354) 20-year (107,114,115,116,117,128,132,133,134,136,137,140,143,155,158,159,160,161,163,167) 30-year (1,4,5,6,7,8,13,22,26,29)
10/19/2023	1,785.8	498.3	+0.020%	+0.023%	10-year (353,354,357,370) 20-year (109,110,113,116,117,119,121,128,130,131,132,139,144,145,147,148,150,151,152,154,155,160) 30-year (2,3,4,5,6,7,8,11,15,16,20,21,22,30)
10/25/2023	1,385.7	498.4	+0.029%	+0.032%	20-year (177,179,182,183,185) 30-year (36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,59,72,73,76,77,79) 40-year (1,2,3,4,5,6,10,11,13,14,15)

Issuance Amounts by Remaining Maturity for Liquidity Enhancement Auctions (July-September 2023)



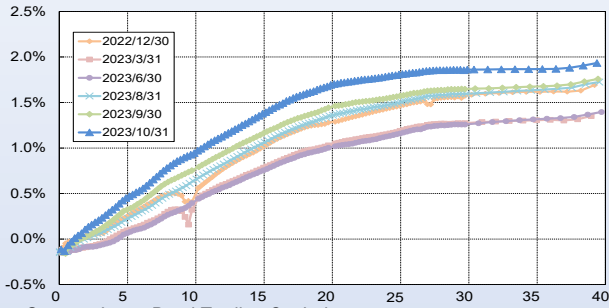
Buy-Back Results (10-year Inflation-Indexed)

(Until 31 October 2023)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
7/12/2023	90.1	20.1	-0.075	0.00	17,23,24,25
8/10/2023	97.0	20.0	-0.319	-0.22	26,27,28
9/13/2023	69.6	20.1	-0.069	+0.09	18,19,20,22,24,26,27,28
10/12/2023	86.7	20.2	-0.084	-0.01	19,20,21,23,24,26

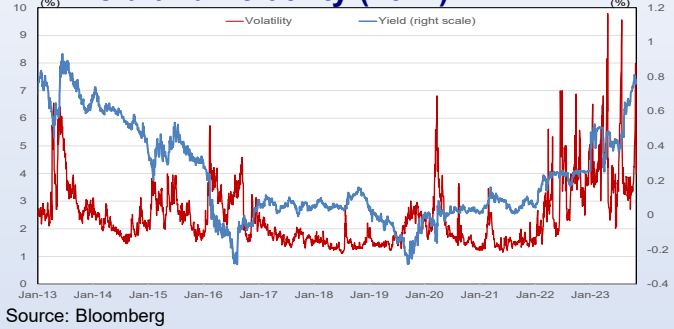
JGB Secondary Market

JGB Yield Curves



Yield and Volatility (10Yr)

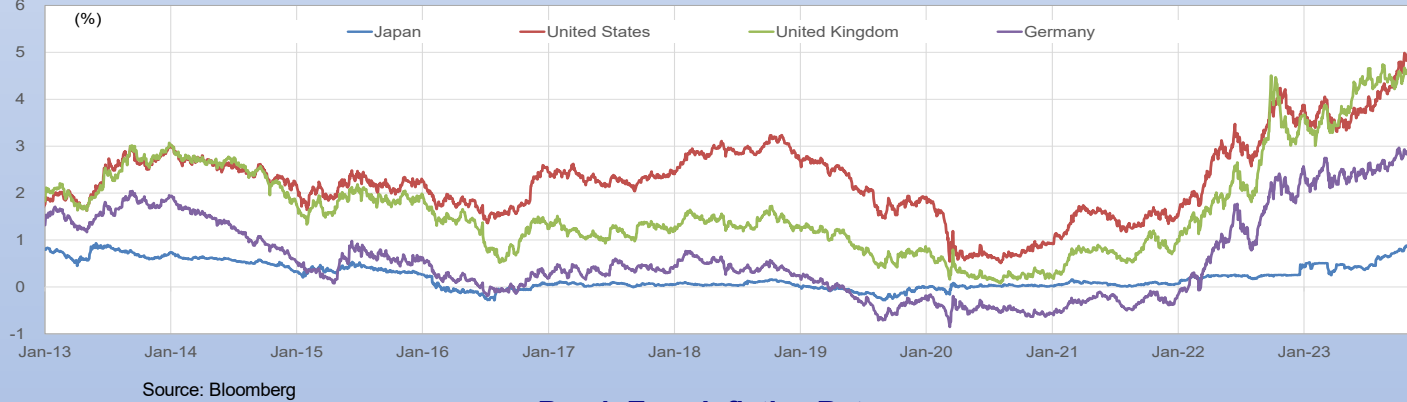
(Until 31 October 2023)



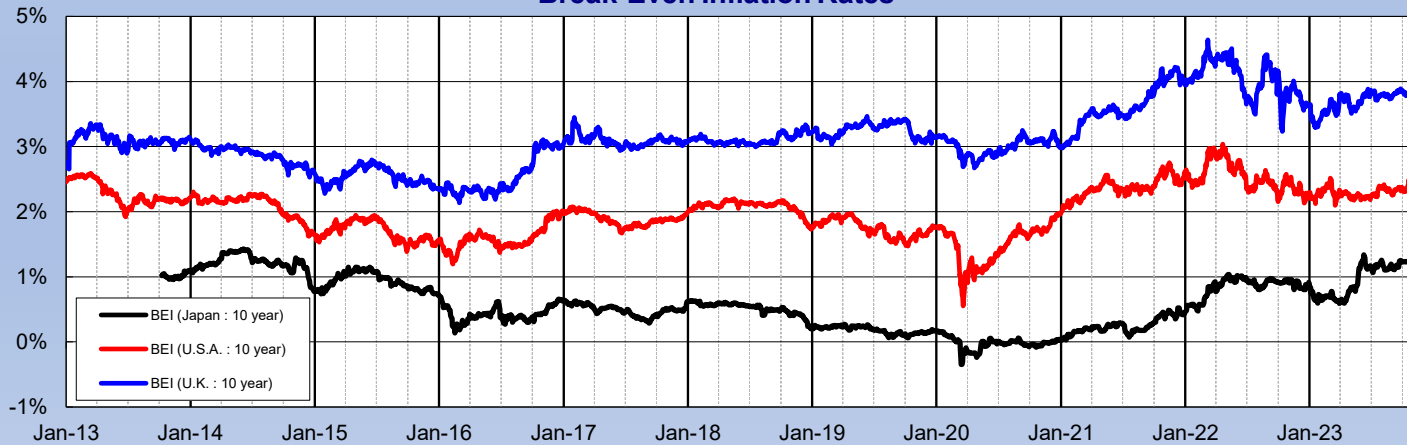
Yields of JGB



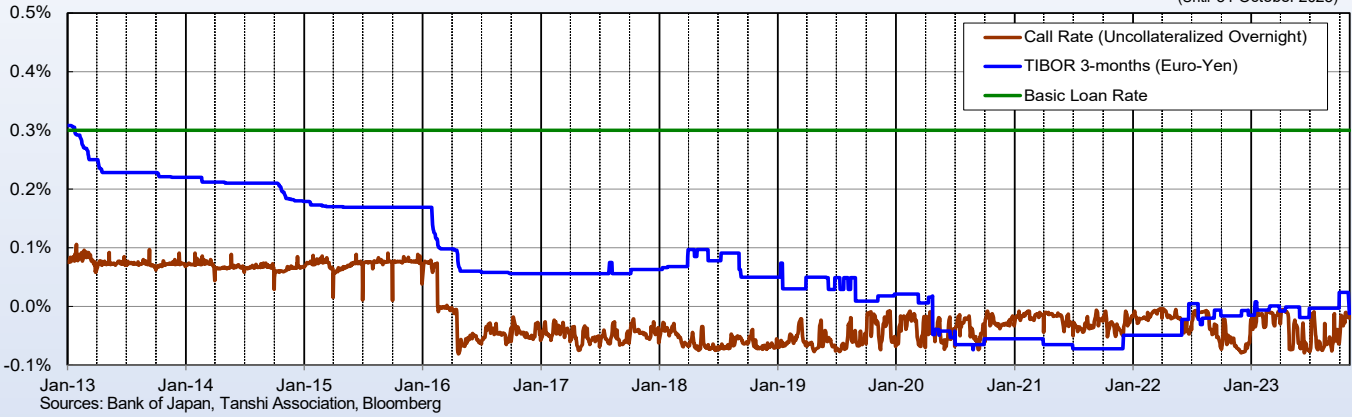
Long - Term Interest Rates (10Yr)



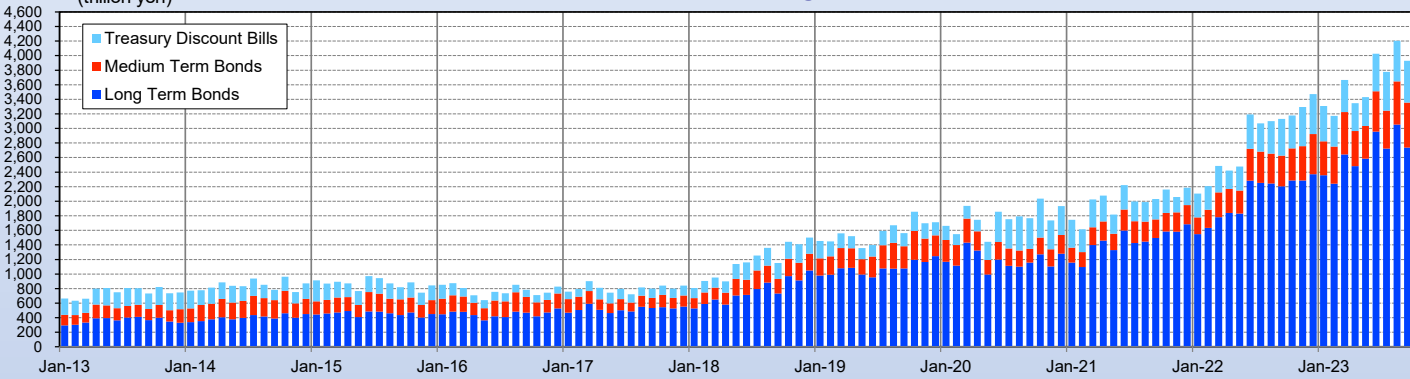
Break-Even Inflation Rates



Short-Term Interest Rates



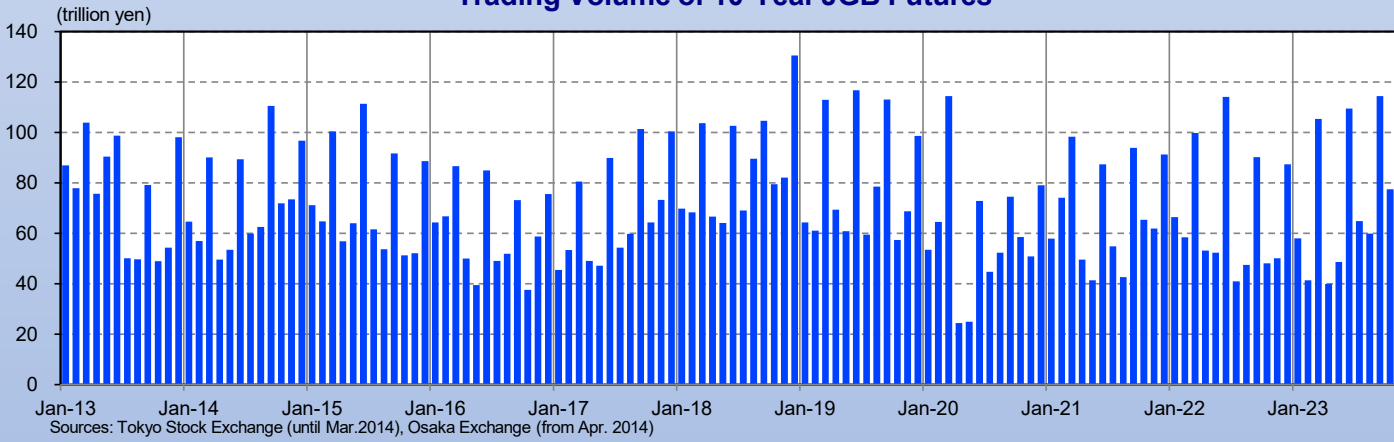
JGB Over-the-Counter Trading Volume (TOKYO)



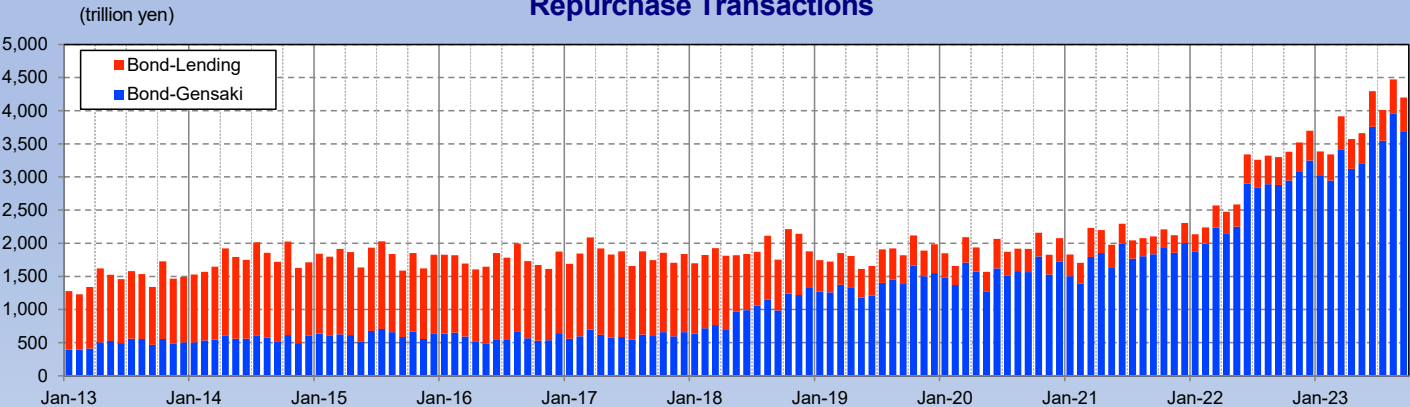
Note: Trading volume is the sum of sales and purchases including the trading volume of bonds with repurchase agreements.

Source: Japan Securities Dealers Association

Trading Volume of 10-Year JGB Futures



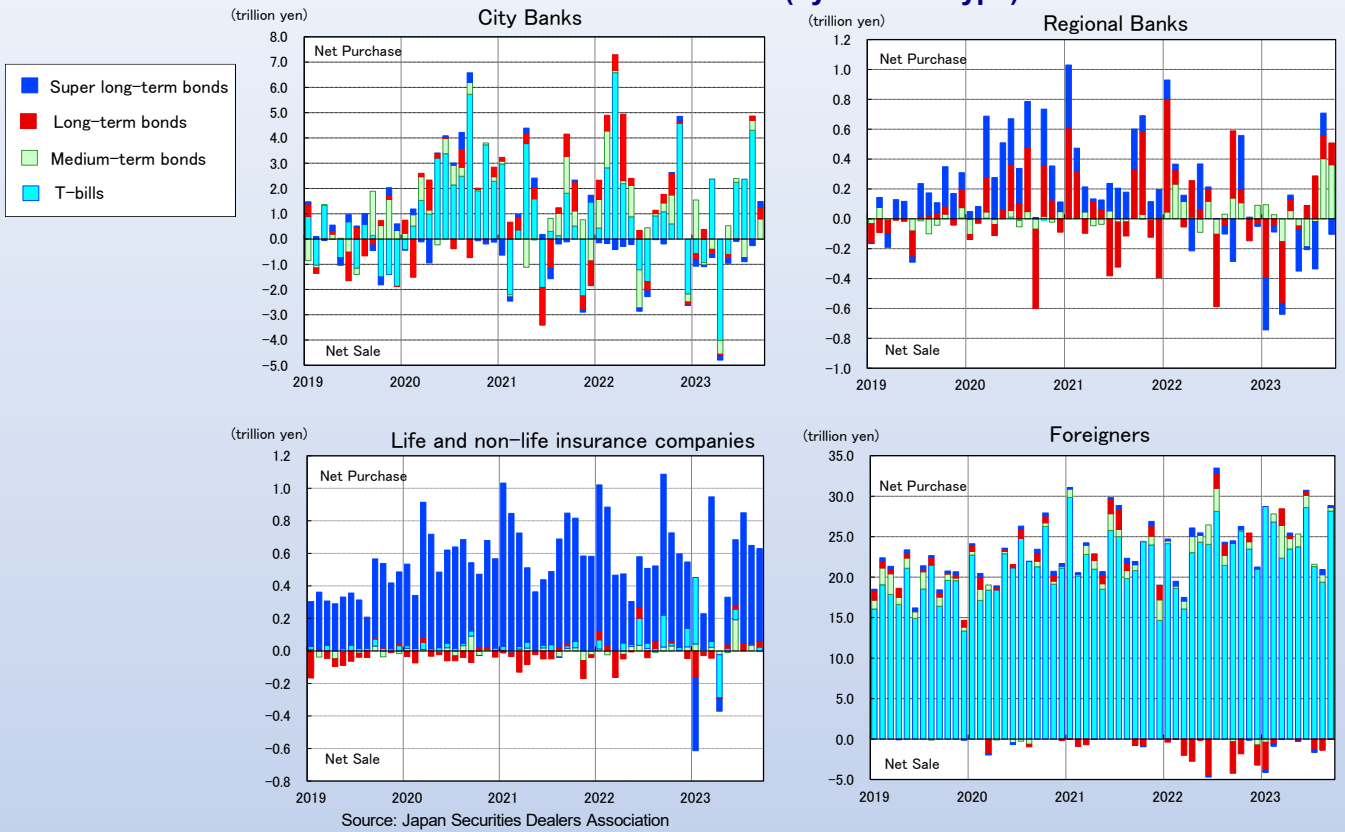
Repurchase Transactions



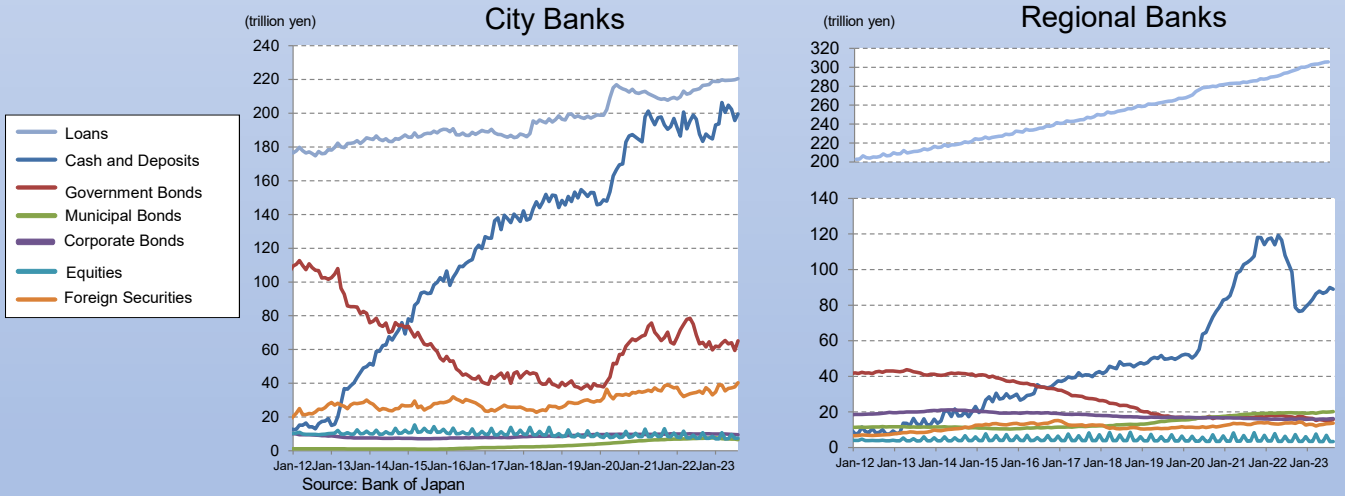
Source: Japan Securities Dealers Association

Investor Trends and JGB Outstanding

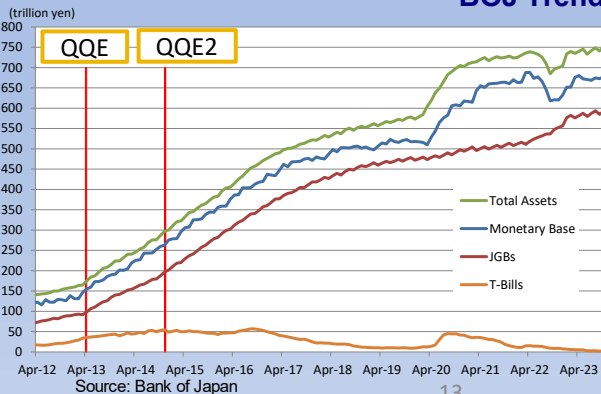
Trends in JGBs Transactions (by investor type)



Trends in Bank Assets by Types



BOJ Trends

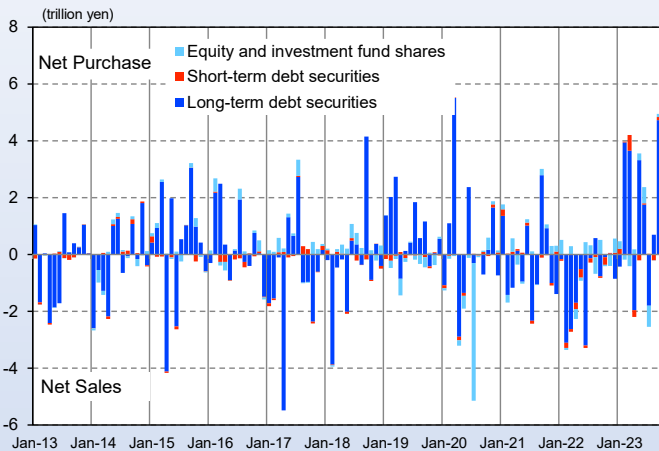


	Apr 2013 (Actual)	Oct 2023 (Actual)
Monetary Base	155	677
JGBs	98	592
T-Bills	36	2.6
CP	1.4	2.4
Corporate Bonds	2.9	6.4
ETFs	1.7	37.2
J-REITs	0.13	0.66
Total Assets	175	751

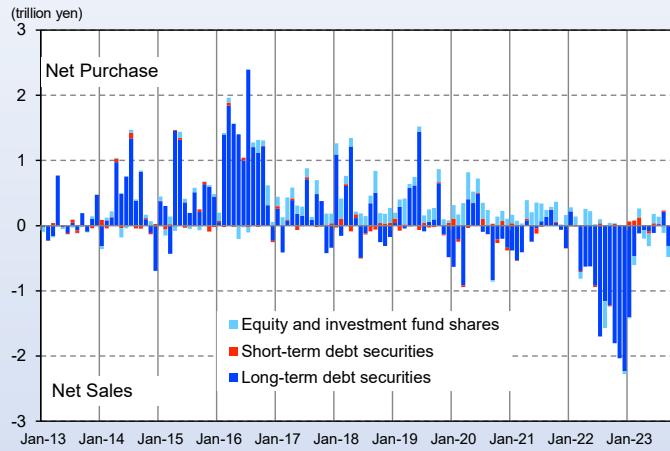
Transactions of Foreign Securities by Residents (by Investor types)

Banks(Banking Accounts)

Life Insurance Companies



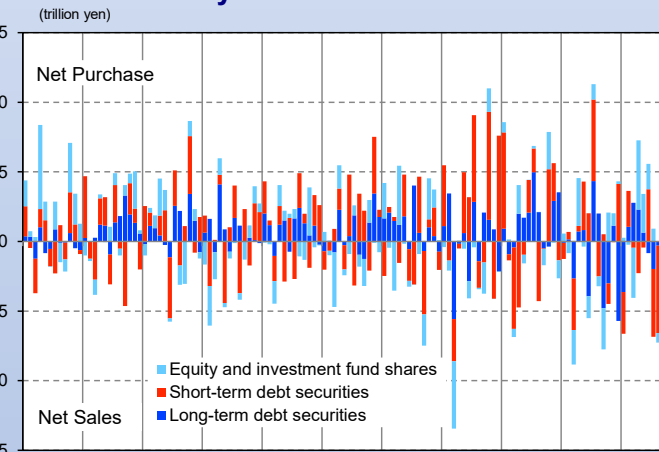
Source: Ministry of Finance



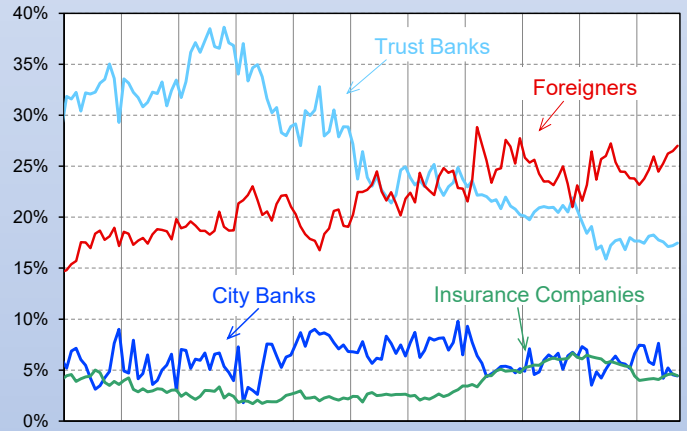
Source: Ministry of Finance

Transactions of Domestic Securities by Non-Residents

Outstanding of Repurchase Agreements (by Investor types)



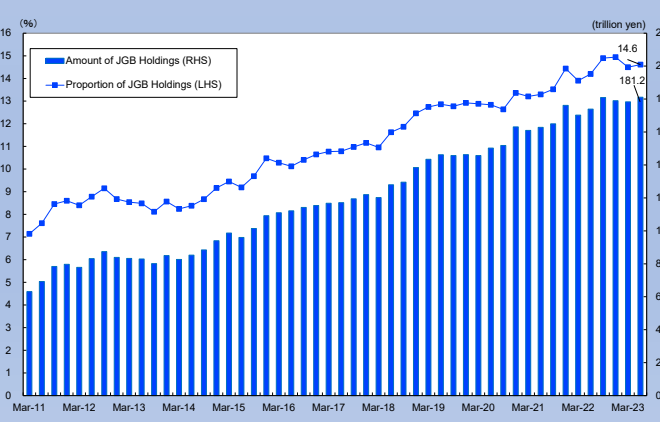
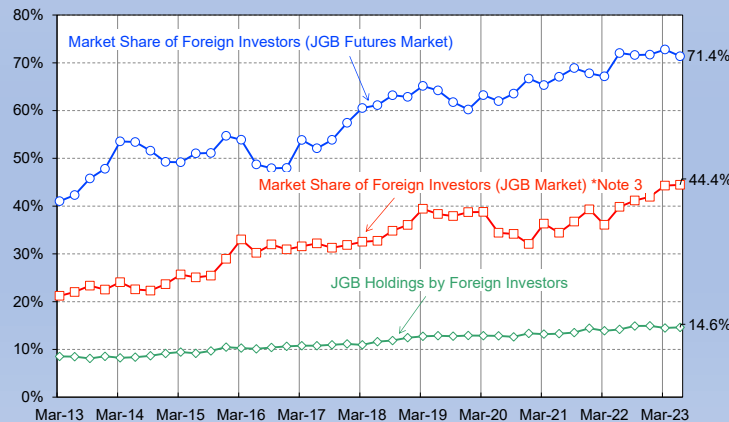
Source: Ministry of Finance



Source: Japan Securities Dealers Association

Foreign Investors Presence

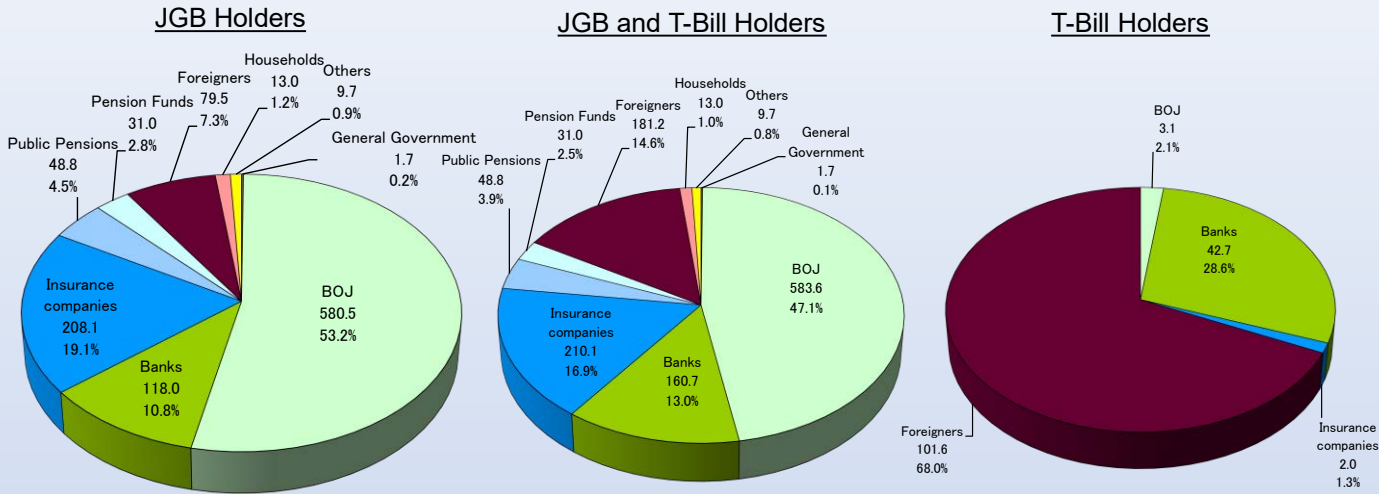
JGBs Holdings by Foreign Investors



Note 1: Quarterly basis.
 Note 2: "JGB" includes T-Bills.
 Note 3: The figures excludes dealers' transactions.
 Sources: Bank of Japan, Japan Securities Dealers Association, Japan Exchange Group, Inc.

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

Breakdown by JGB and T-Bill Holders (The end of Jun. 2023 QE)



(Unit: trillion yen)

Total 1,090.3 trillion yen

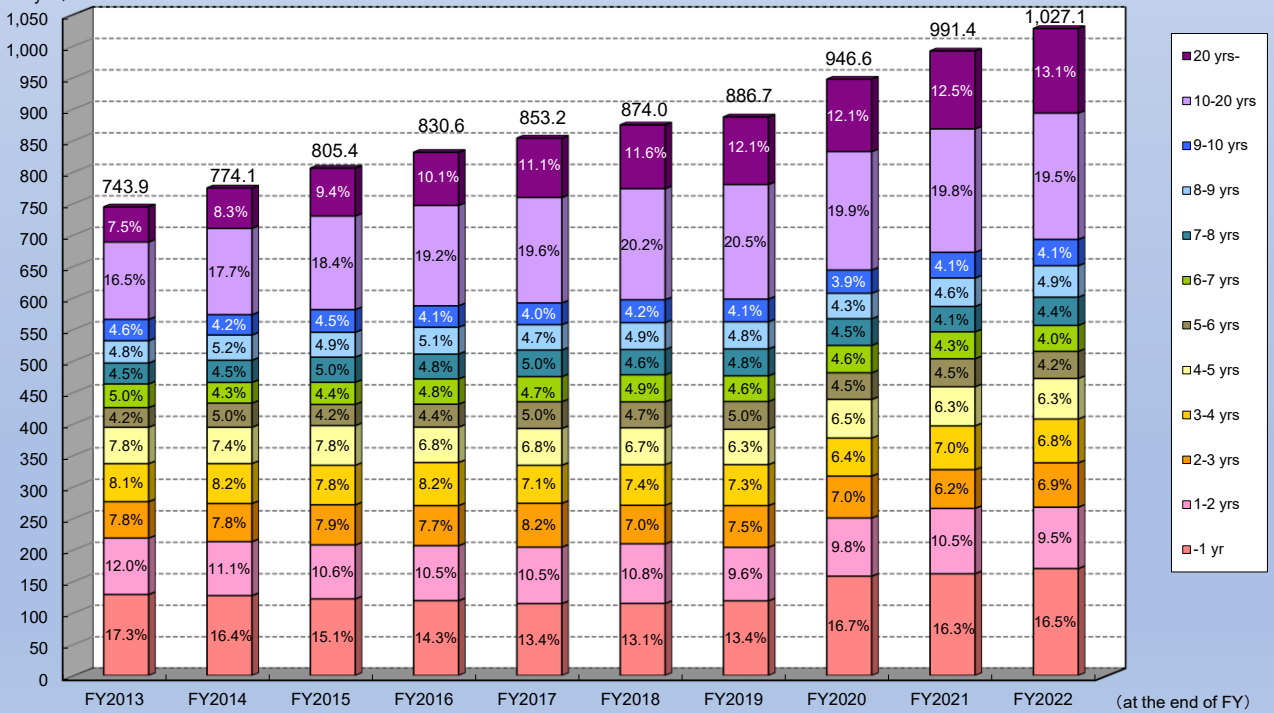
Total 1,239.7 trillion yen

Total 149.4 trillion yen

- Note 1: "JGB" includes "FILP Bonds."
 - Note 2: "Banks" includes "Japan Post Bank," "Securities investment trusts," "Securities companies," etc.
 - Note 3: "Insurance companies" includes "Life insurance," "Nonlife insurance," and "Mutual aid insurance."
 - Note 4: "General Government" excludes "Public Pensions."
- Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures)"

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

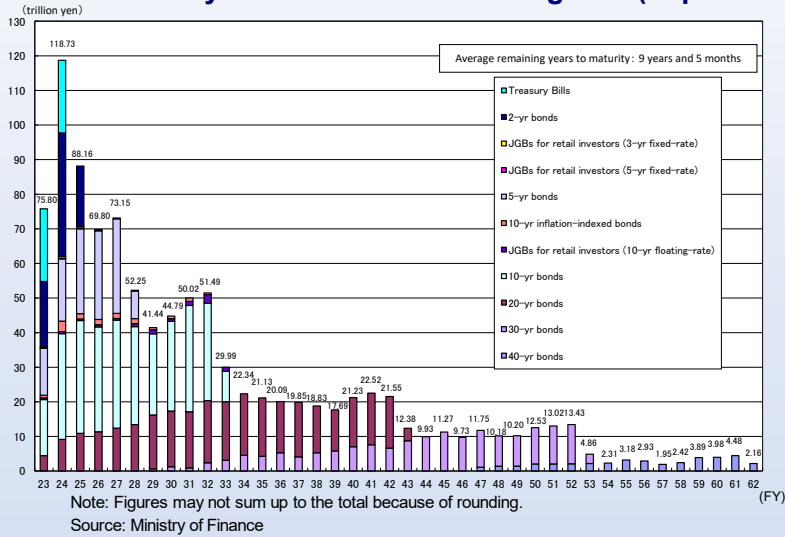
(Unit: trillion yen)



Average YTM*	7Y7M	8Y0M	8Y5M	8Y7M	8Y10M	9Y0M	9Y2M	8Y11M	9Y0M	9Y2M
Average YTM (excluding JGBs for Retail Investors)	7Y8M	8Y0M	8Y5M	8Y8M	8Y11M	9Y1M	9Y2M	8Y11M	9Y0M	9Y2M

*years to maturity

Time-to-Maturity Structure of Outstanding JGB (September, 2023)



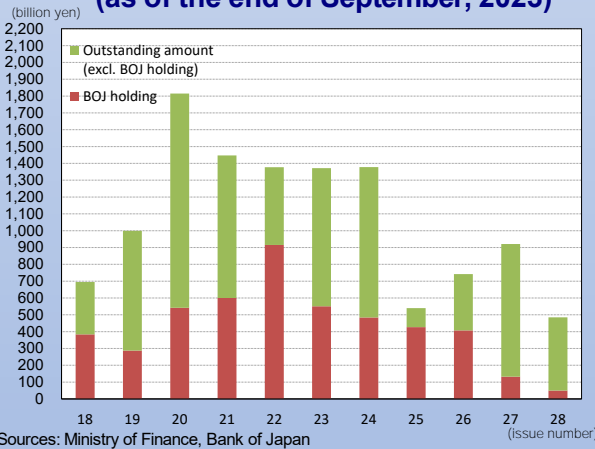
Scheduled redemption of JGB at maturity in November, 2023

(billion yen)

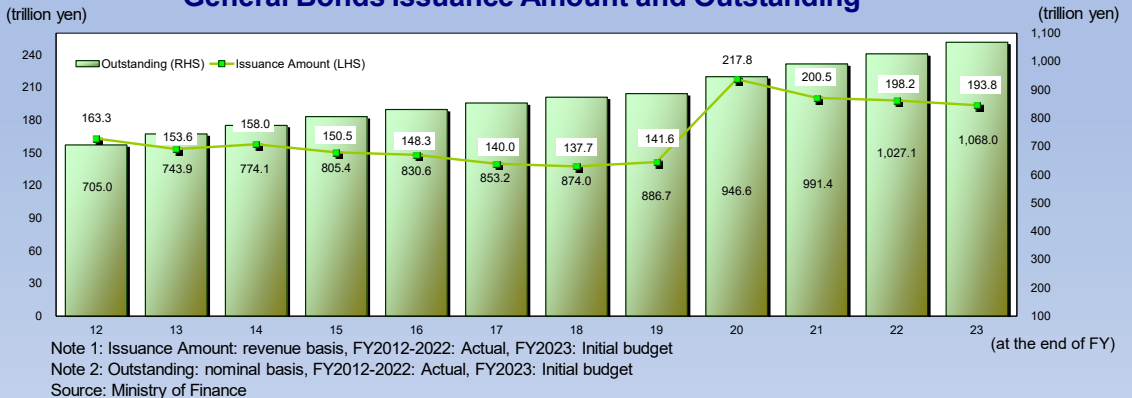
Types	The amount of redemption at maturity	Date of redemption
2-Year Bonds	3,053.9	11/1/2023
Treasury Bills (1-Year)	3,500.0	11/20/2023
Total	6,553.9	

- Note 1: The figures are based on the outstanding JGBs at the end of September, 2023.
- 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 date of redemption coincides with bank holiday, the payment of redemption is carried out on the following business day.
- Note 5: Figures may not sum up to the total because of rounding.

Market-held Balance of the Inflation-Indexed Bonds (as of the end of September, 2023)

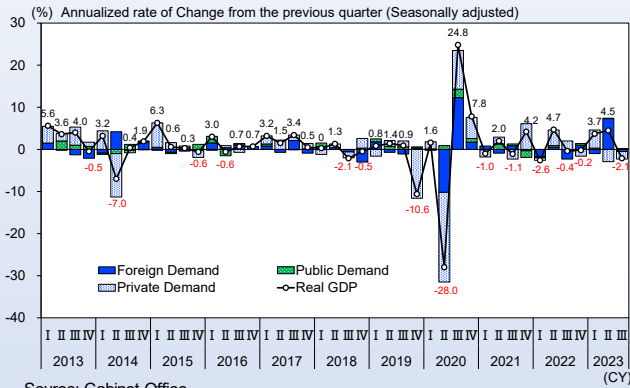


General Bonds Issuance Amount and Outstanding

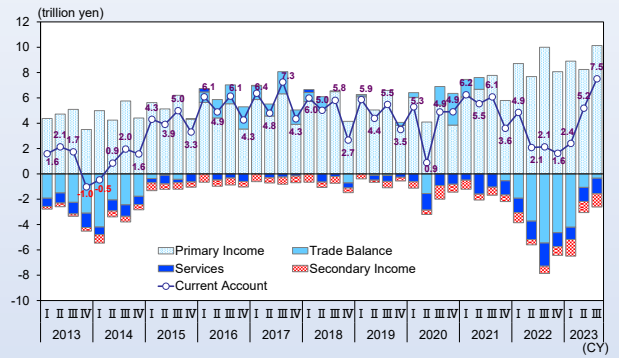


Economic and Financial Trends

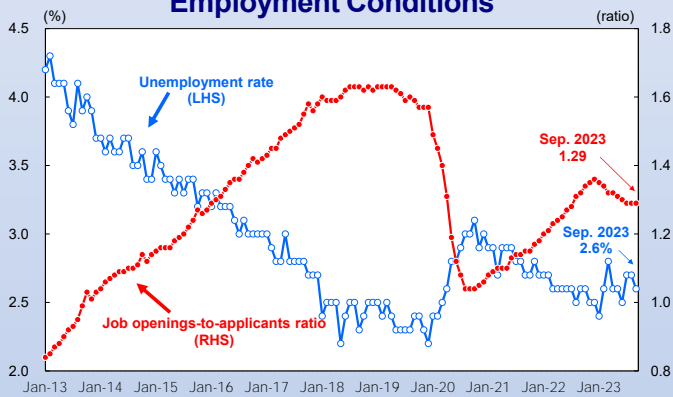
Real GDP Growth Rate



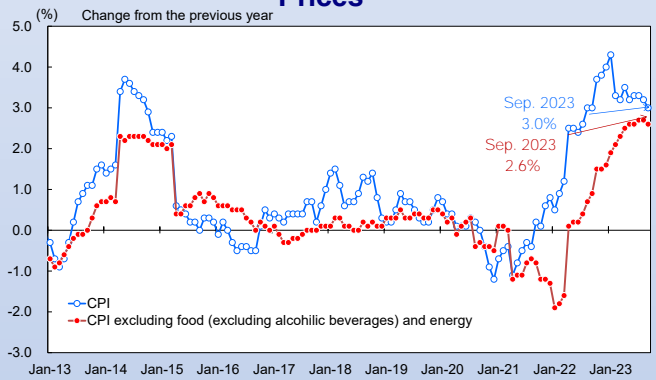
Changes in Current Account



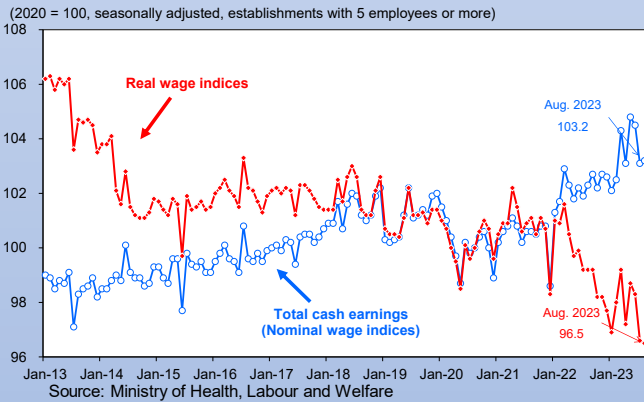
Employment Conditions



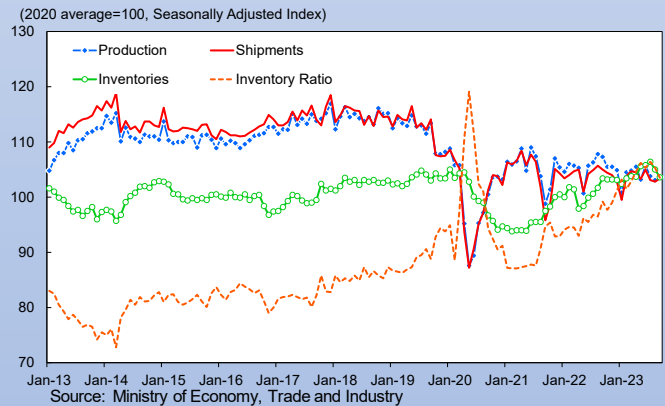
Prices



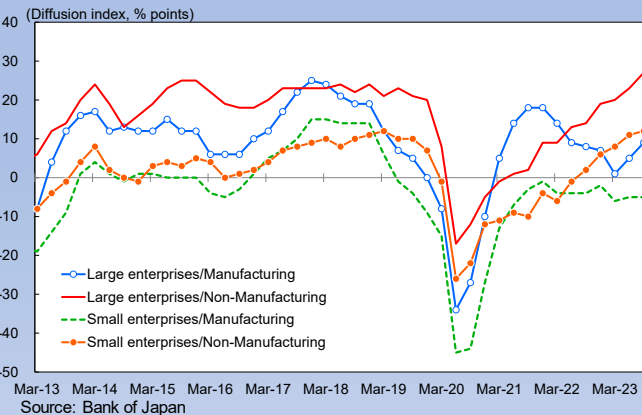
Wage Indices



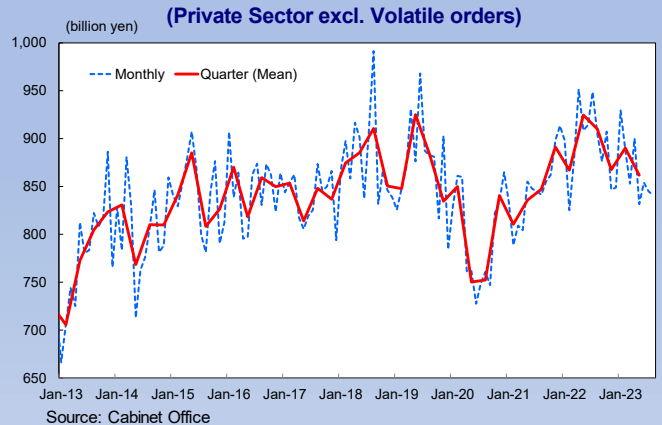
Indices of Industrial Production



TANKAN (Business Conditions)



Total Value of Machinery Orders



Information

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_guaranteed_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.htm
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	Quarterly	https://www.mof.go.jp/english/jgbs/reference/jgbsta/index.htm
Dialogue with the market		
Study Group on Government Debt Management	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/study_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, please email:

JGB-IR@mof.go.jp

To see our past Newsletters,
please visit the link below
or scan this QR code.



<https://www.mof.go.jp/english/policy/jgbs/publication/newsletter/index.htm>

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/>