

# JAPANESE GOVERNMENT BONDS

Monthly Newsletter of the Ministry of Finance, Japan

September 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: Central Government Debt (As of June 30, 2020) p. 2**

- ✓ On August 7, the Ministry of Finance released the update on central government debt. Outstanding government bonds and borrowings increased to 1,159.0 trillion yen from the end of March (1,114.5 trillion yen) by 44.5 trillion yen.

### **Q&A: Liquidity on the JGB market p.3**

- ✓ Kokusai Sensei explains the Liquidity on the JGB market.

### **Monthly Topic : Economic and Fiscal Projections for Medium to Long term Analysis (July 2020) p.4-5**

- ✓ 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: Office of Debt Management and JGB Investor Relations p. 6**

- ✓ After annual reshuffling in the Ministry of Finance, We welcomed new members to the team of the Office of Debt Management and JGB Investor Relations.

### **Statistics**

<u>JGB Primary Market</u> ... p. 7	<u>Liquidity Enhancement Auctions and JGB Buy-Back</u> ... p. 8
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**The Ministry of Finance**

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# What's New

## Central Government Debt (As of June 30, 2020)

On August 7, the Ministry of Finance released the update on central government debt. Debt outstanding and composition as of the end of June 2020 are as follows:

### <Main Points>

- Outstanding government bonds and borrowings increased to 1,159.0 trillion yen from the end of March (1,114.5 trillion yen) by 44.5 trillion yen. The total amount for FBs, FILP bonds and General Bonds increased by 42.9 trillion yen, 2.8 trillion yen and 1.1 trillion yen, respectively, while Borrowings, Subsidy Bonds, etc. decreased by 2.4 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 914.2 trillion yen from the end of March (913.5 trillion yen).

### Central Government Debt

(trillion yen)

	The end of June 2020 (Actual)	Increase or Decrease(-) from the End of the Previous Quarter
<b>1) Outstanding Government Bonds and Borrowings</b>		
General Bonds	887.8	1.1
Fiscal Investment and Loan Program Bonds (FILP Bonds)	93.9	2.8
Borrowings, Subsidy Bonds, etc.	60.0	-2.4
Financing Bills (FBs)	117.3	42.9
<b>Total</b>	<b>1,159.0</b>	<b>44.5</b>
<b>2) Outstanding Government-Guaranteed Debts</b>		
Government-Guaranteed Debts	35.4	-0.8

#### 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 September 30, 2020 will be released on November 10, 2020.

Details: <https://www.mof.go.jp/english/q&as/reference/gbb/e202006.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 June 2020 (Actual)	Increase or Decrease(-) from the End of the Previous Quarter	The end of FY2020 (Estimate)
① General Bonds	887.8	1.1	Approx. 964
② Fiscal Investment and Loan Program Bonds	Not included	Not included	Not included
③ Borrowings, Subsidy Bonds, etc. (Note 1)	26.4	-0.4	Approx. 29
④ Financing Bills	Not included	Not included	Not included
<b>Long-term debt outstanding of central governments</b>	<b>914.2</b>	<b>0.7</b>	<b>Approx. 993</b>
⑤ Long-term debt outstanding of local governments	(Note 2)		Approx. 189
<b>Long-term debt outstanding of central and local governments</b>	<b>(Note 2)</b>		<b>Approx. 1,182</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: Liquidity on the JGB market



Today, I would like to touch on the liquidity on the JGB market, as we have received questions on this topic from various investors so far.

Kokusai Sensei

### Q. What is your perspective of the liquidity on the JGB market?

A. Increasing liquidity is a key challenge for the JGB market. It is desirable for market liquidity to be maintained and improved through trading by financial institutions, including JGB Market Special Participants, and investors through autonomous market functions. Maintenance and improvement of JGB market liquidity are expected to contribute to holding down fundraising costs over a medium to long term.

Since the BOJ introduced the Quantitative and Qualitative Monetary Easing in April 2013, the central bank has continued to purchase JGBs. Its JGB holdings now account for more than 45% of the total outstanding JGBs. Since the BOJ's introduction of Yield Curve Control in September 2016, JGB price fluctuations have become very narrow. As a result, JGB market participants voiced concern that market liquidity was declining as it became difficult to procure bonds of some issues held heavily by the BOJ or as trading volume decreased due to narrower price fluctuations.

Meanwhile, in addition to the close consultation with market participants, the MOF has been adequately implementing measures for maintenance and improvement of JGB market liquidity. In particular, the MOF has adopted reopening for 20- and 30-Year JGB each into four issues and 40-Year and Inflation-Indexed JGB each into one issue annually in principle and for 10-Year JGB into four issues annually unless yields fluctuate wildly (the gap between the market yield and the coupon on a new issue exceeds 30 basis points). The MOF has thus tried to maintain and enhance liquidity by securing a sufficient outstanding value for each issue. Through liquidity enhancement auctions, the MOF also reopens issues that have structural liquidity shortages or temporary liquidity shortages due to expanding demand.

These measures led market participants to point out that JGB market volatility had improved from excessively low levels and that tightening of the supply-demand balance for cheapest-to-deliver issue was improved.

The MOF continues efforts to maintain and improve JGB market liquidity for the market's stable absorption of JGBs while monitoring market conditions and investor trends and consulting with market participants.

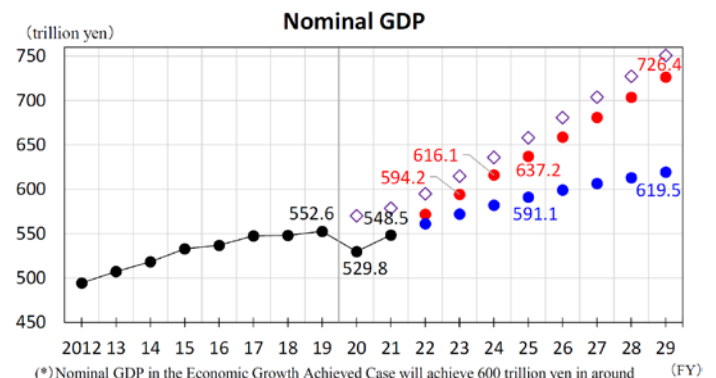
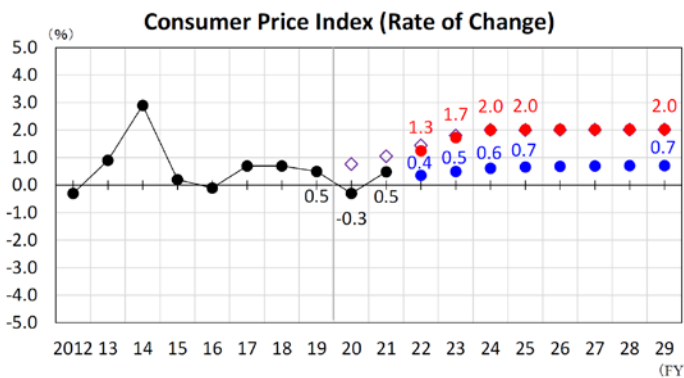
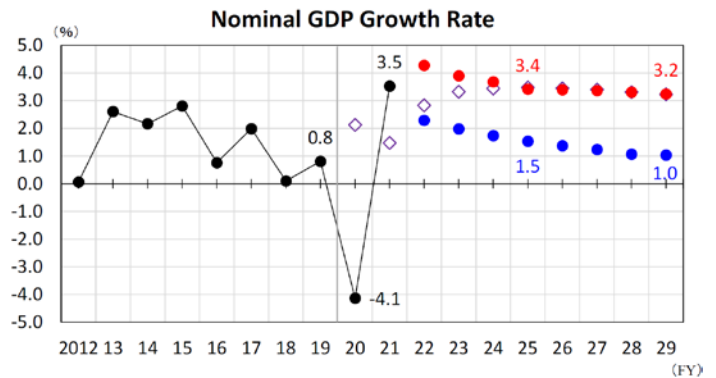
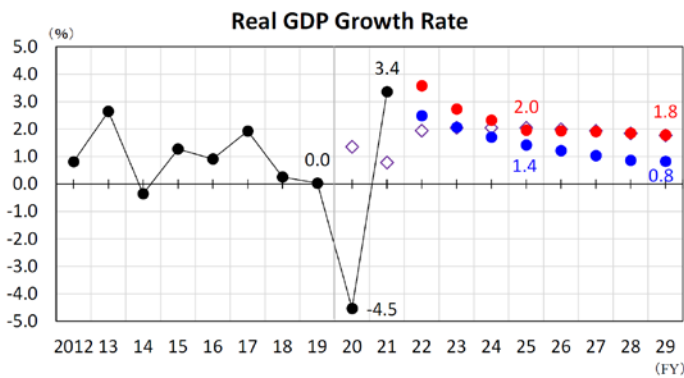
## Executive Summary: Economic and Fiscal Projections for Medium to Long term Analysis (July 2020)

On July 31, 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

In the Economic Growth Achieved Case, in the medium to long term, the GDP growth rate is projected to achieve around 2% in real terms and over around 3% in nominal terms in line with the solid productivity growth through the implementation of the “Basic Policy on Economic and Fiscal Management and Reform 2020,” while GDP is projected to grow at a higher rate until the demand shortfall originating from COVID-19 diminishes. Although the impact of the disease on the economy needs to be carefully examined, nominal GDP is projected to achieve 600 trillion yen in around FY2023. In order to overcome deflation and revitalize the economy, it is essential to swiftly return the Japanese economy to a solid growth trajectory as early as possible, and realize “quality” economic society led by establishing the “New Normal.”



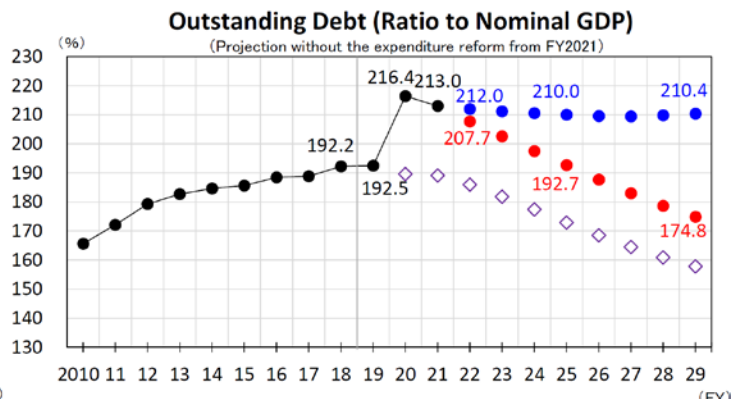
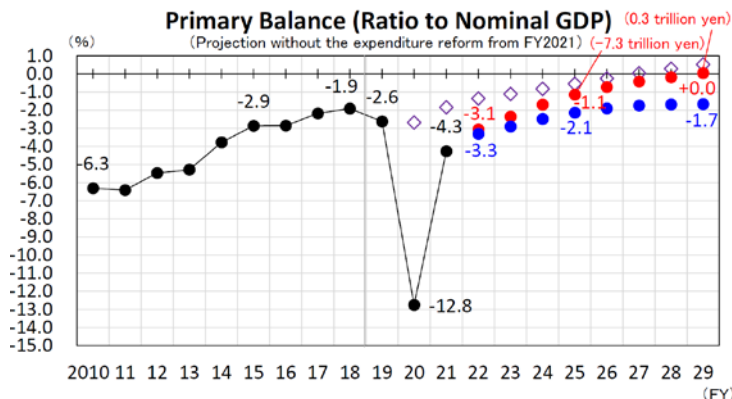
(\*Nominal GDP in the Economic Growth Achieved Case will achieve 600 trillion yen in around FY2024 taking into account the reference case of “Mid-year Economic Projection (July 2020)” which is based on scenarios of international organizations (OECD and World Bank) in which a large second wave of disease infections will occur overseas in the fall of 2020.

● Economic Growth Achieved Case   ● Baseline Case   ◇ Economic Growth Achieved Case (January 2020)

(Source) Cabinet Office

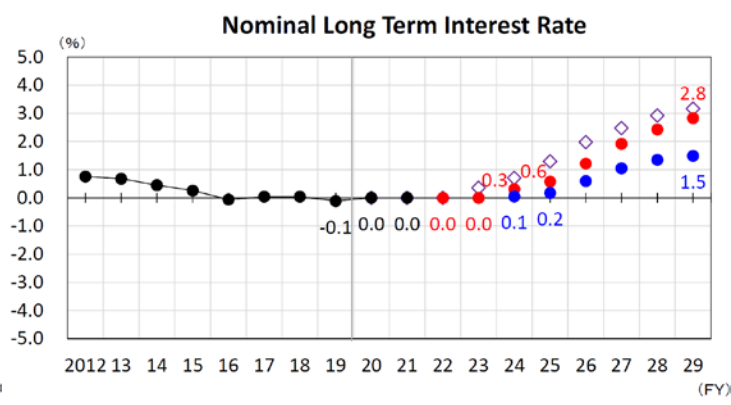
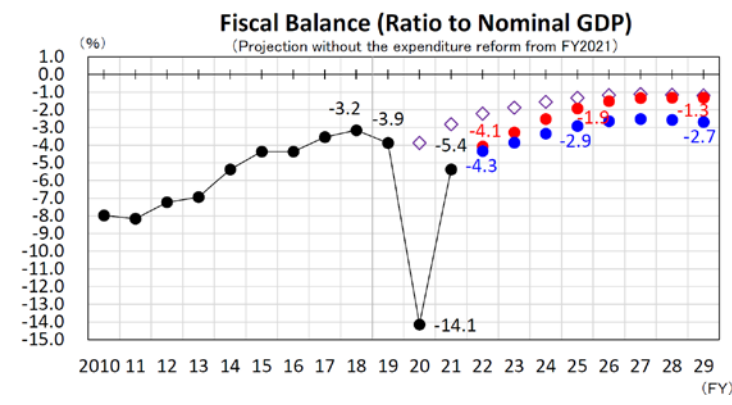
## Projections of the Central and Local Governments' Public Finances

Due to deceleration in revenues caused by the impact of COVID-19 on the economy, without the expenditure reforms, the primary deficit is projected to be around 1.1% in FY2025, and turn to surplus in FY2029. Continuing the expenditure reform carried out thus far, the primary surplus will be achieved around three years earlier, but in order to achieve the surplus in FY 2025, it will be important to realize an economy led not by public expenditures but by private demand, and ensure overcoming deflation and revitalizing the economy as well as continue further improvement both from the expenditure and revenue sides. Although the ratio of outstanding debt to GDP will increase in FY 2020 because of the additional expenditures of the supplementary budgets, it is projected to decline steadily in the periods of the projection.



(\*) In the Economic Growth Achieved Case, the primary deficit will be around 1.4% in FY2025 taking into account the reference case of "Mid-year Economic Projection (July, 2020)" which is based on scenarios of international organizations (OECD and World Bank) in which a large second wave of disease infections will occur overseas in the fall of 2020.

(\*) 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.



● Economic Growth Achieved Case   ● Baseline Case   ◇ Economic Growth Achieved Case (January 2020)

(Source) Cabinet Office

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

After the new Japanese era “Reiwa” started last year, the environment in the government bond market has drastically changed due to the U.S.-China trade tension, movement of the United Kingdom’s exit from the European Union, expansion of the COVID-19 outbreak and so on.

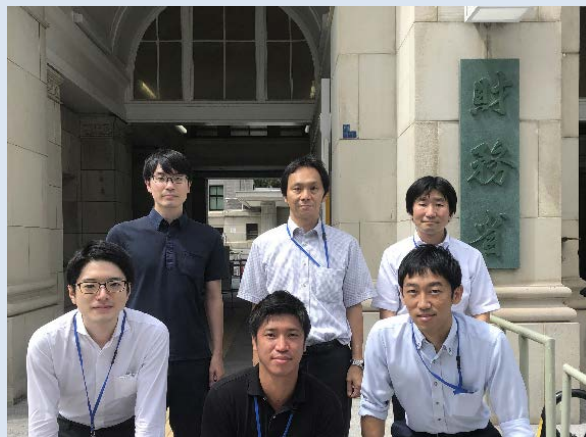
Meanwhile, we welcomed new team members from July to August 2020 and just kicked off to succeed in our coming projects. Our new team continues to touch on hot topics so that we provide information in a timely manner. In addition, “Kokochan” as a new image character (see the photo on the righthand side) has been added to “Kokusai Sensei” since FY2020 to enhance the promotion of the JGBs for Retail Investors.

Because of the COVID-19 pandemic, it has been difficult to meet in person with foreign investors. However, we are still committed to enhancing relations with them and meeting their various needs by seeking other effective ways of communication.

Although we have been unable to conduct overseas IR activities since February in view of the expanding COVID-19 pandemic, until then, we sent 4 overseas IR missions and visited 8 countries including 11 cities throughout the previous fiscal year.

This year, we are planning to hold web conferences to meet investors online. We are dedicated to improving our IR activities and making them more investor-friendly. We hope to meet many investors, exchange various views, and reflect the investors’ opinions in our debt management policy. We are looking forward to meeting you soon.

<the new team and “Kokochan” >



*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 August 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)
6/2/2020	10-year	358	3/20/2030	0.1%	5,727.0	1,702.0	0.001%	0.000%	0.284	396.9	0.0
6/4/2020	30-year	66	3/20/2050	0.4%	1,609.7	565.8	0.534%	0.529%	-	133.5	0.0
6/18/2020	5-year	143	3/20/2025	0.1%	5,837.5	1,544.1	▲0.117%	▲0.119%	-	355.2	0.0
6/25/2020	20-year	172	3/20/2040	0.4%	2,833.3	732.2	0.389%	0.386%	-	166.5	79.0
6/30/2020	2-year	414	7/1/2022	0.1%	11,390.0	2,432.2	▲0.131%	▲0.136%	-	567.3	250.6
7/2/2020	10-year	359	6/20/2030	0.1%	7,731.8	2,112.2	0.060%	0.058%	0.496	486.7	244.7
7/7/2020	30-year	67	6/20/2050	0.6%	2,871.9	732.6	0.615%	0.612%	-	166.5	67.6
7/9/2020	5-year	144	6/20/2025	0.1%	8,589.0	2,019.0	▲0.101%	▲0.103%	-	480.3	219.1
7/21/2020	20-year	173	6/20/2040	0.4%	3,682.9	969.2	0.419%	0.416%	-	229.6	114.6
7/28/2020	40-year	13	3/20/2060	0.5%	1,552.2	499.7	0.575%	-	-	-	5.6
7/30/2020	2-year	415	8/1/2022	0.1%	11,094.0	2,432.1	▲0.130%	▲0.133%	-	567.2	47.7
8/4/2020	10-year	359	6/20/2030	0.1%	7,666.7	2,107.4	0.021%	0.018%	1.265	490.5	210.1
8/6/2020	10-year Inflation-Indexed Bonds	25	3/10/2030	0.2%	640.9	199.9	0.006%	-	-	-	-
8/18/2020	30-year	67	6/20/2050	0.6%	2,515.4	730.2	0.625%	0.617%	-	169.2	22.6
8/20/2020	5-year	144	6/20/2025	0.1%	7,236.5	2,036.9	▲0.091%	▲0.093%	1.000	461.3	0.0
8/25/2020	20-year	173	6/20/2040	0.4%	3,837.0	978.9	0.405%	0.403%	-	220.3	117.0
8/27/2020	2-year	416	9/1/2022	0.1%	11,403.8	2,444.9	▲0.114%	▲0.115%	1.000	553.4	101.2

## Auction Results (Treasury Discount Bills)

(Until 31 August 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)
6/5/2020	3-month	912	9/7/2020	22,086.80	7,428.32	▲0.0922%	▲0.0986%	1,711.60
6/9/2020	6-month	913	12/10/2020	11,294.70	2,271.67	▲0.1733%	▲0.1753%	528.30
6/12/2020	3-month	914	9/14/2020	23,044.30	7,436.83	▲0.0982%	▲0.1018%	1,703.10
6/15/2020	6-month	915	12/16/2020	10,365.70	2,300.19	▲0.1733%	▲0.1753%	499.80
6/18/2020	1-year	916	6/21/2021	10,780.90	2,434.28	▲0.1931%	▲0.1961%	565.70
6/19/2020	3-month	917	9/23/2020	19,957.60	6,609.35	▲0.1020%	▲0.1071%	1,530.60
6/26/2020	3-month	918	9/28/2020	22,452.90	6,613.26	▲0.0902%	▲0.0946%	1,526.70
7/3/2020	3-month	919	10/5/2020	23,290.81	6,618.24	▲0.0882%	▲0.0962%	1,521.70
7/9/2020	6-month	920	1/12/2021	13,159.90	2,433.56	▲0.1725%	▲0.1764%	566.40
7/10/2020	3-month	921	10/12/2020	19,530.29	6,202.10	▲0.0862%	▲0.0922%	1,437.80
7/16/2020	1-year	922	7/20/2021	11,448.30	2,838.57	▲0.1637%	▲0.1816%	661.40
7/17/2020	3-month	923	10/19/2020	21,270.60	6,194.93	▲0.0822%	▲0.0874%	1,445.00
7/21/2020	6-month	924	1/25/2021	9,754.10	2,521.06	▲0.1643%	▲0.1703%	578.90
7/22/2020	3-month	925	10/26/2020	19,030.50	6,194.61	▲0.0822%	▲0.0858%	1,445.30
7/31/2020	3-month	926	11/2/2020	17,479.70	6,145.73	▲0.0802%	▲0.0862%	1,404.20
8/6/2020	6-month	927	2/10/2021	8,749.60	2,708.16	▲0.1375%	▲0.1454%	591.80
8/7/2020	3-month	928	11/9/2020	16,744.40	6,156.36	▲0.0669%	▲0.0737%	1,393.60
8/14/2020	3-month	929	11/16/2020	20,316.70	6,169.91	▲0.0661%	▲0.0701%	1,380.00
8/19/2020	1-year	930	8/20/2021	8,421.70	2,895.67	▲0.1308%	▲0.1417%	604.30
8/21/2020	3-month	931	11/24/2020	17,003.39	6,156.45	▲0.0753%	▲0.0829%	1,393.50
8/24/2020	6-month	932	2/25/2021	9,131.70	2,852.87	▲0.1011%	▲0.1110%	547.10
8/28/2020	3-month	933	11/30/2020	21,274.40	6,156.34	▲0.0862%	▲0.0898%	1,393.60

## Auction Calendar for Sep. 2020 – Nov. 2020

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
9/1(Tue)	10-year	9/24(Thu)	40-year	10/19(Mon)	T-Bills (1-year)	11/13(Fri)	T-Bills (3-month)
9/3(Thu)	30-year	9/25(Fri)	T-Bills (3-month)	10/20(Tue)	20-year	11/16(Mon)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
9/4(Fri)	T-Bills (3-month)	9/29(Tue)	2-year	10/22(Thu)	T-Bills (6-month)	11/18(Wed)	20-year
9/8(Tue)	5-year	10/1(Thu)	10-year	10/23(Fri)	T-Bills (3-month)	11/19(Thu)	T-Bills (1-year)
9/9(Wed)	T-Bills (6-month)	10/2(Fri)	T-Bills (3-month)	10/27(Tue)	2-year	11/20(Fri)	T-Bills (3-month)
9/10(Thu)	20-year	10/6(Tue)	30-year	10/30(Fri)	T-Bills (3-month)	11/20(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)
9/11(Fri)	T-Bills (3-month)	10/8(Thu)	T-Bills (6-month)	11/4(Wed)	10-year	11/24(Tue)	T-Bills (6-month)
9/15(Tue)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	10/8(Thu)	5-year	11/6(Fri)	T-Bills (3-month)	11/25(Wed)	40-year
9/16(Wed)	T-Bills (1-year)	10/9(Fri)	T-Bills (3-month)	11/6(Fri)	10-year Inflation-Indexed Bonds	11/27(Fri)	T-Bills (3-month)
9/18(Fri)	T-Bills (3-month)	10/13(Tue)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)	11/9(Mon)	T-Bills (6-month)	11/27(Fri)	2-year
9/18(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	10/15(Thu)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	11/10(Tue)	30-year		
9/24(Thu)	T-Bills (6-month)	10/16(Fri)	T-Bills (3-month)	11/12(Thu)	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) (Jan. 2020~June 2020)

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

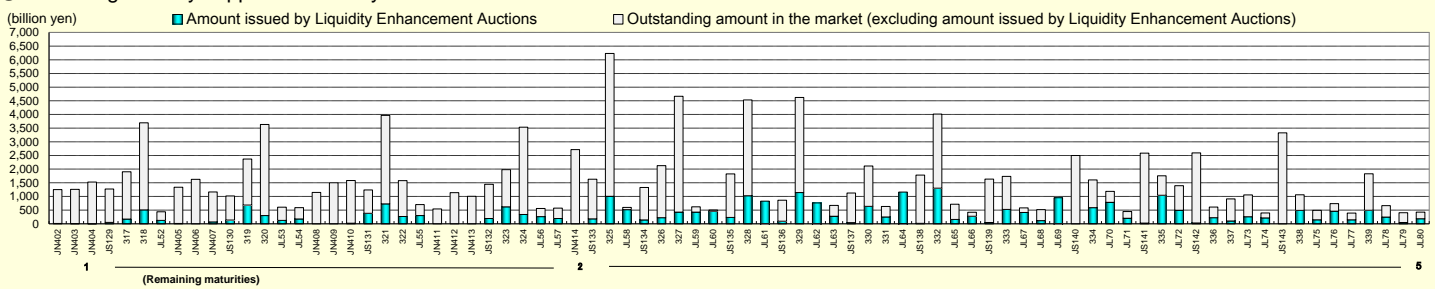
## Results of Liquidity Enhancement Auctions

(Until 31 August 2020)

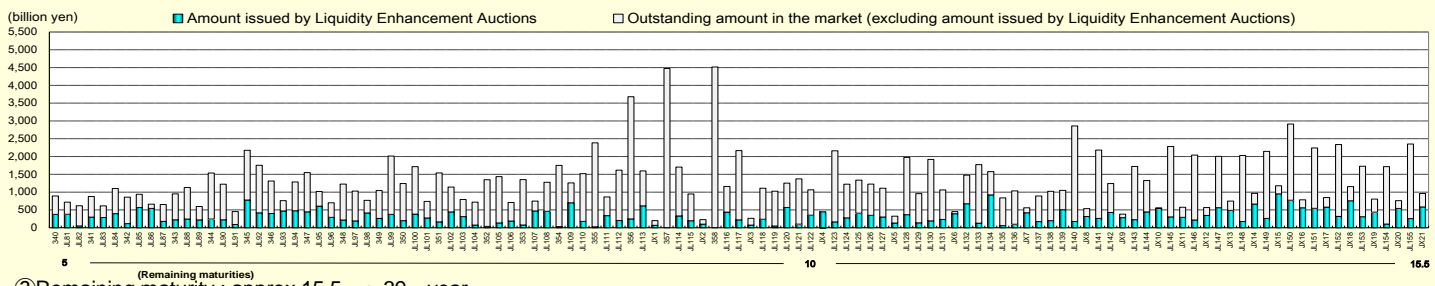
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
6/11/2020	1,200.7	499.2	▲0.011%	▲0.007%	20-year(156, 162, 164, 169, 170, 171) 30-year(22, 33, 34, 36, 37, 38, 40, 43, 45, 46, 50, 53, 55, 63, 64) 40-year(9, 12)
6/15/2020	1,636.7	498.7	▲0.007%	▲0.005%	10-year(339, 340, 345, 346, 347, 351, 353) 20-year(87, 88, 89, 92, 94, 95, 96, 99, 100, 107, 113, 150, 152) 30-year(17, 18)
7/14/2020	1,940.1	497.4	▲0.008%	▲0.007%	10-year(340,342,343,344,345,346,347,350,351,356) 20-year(85,86,87,88,89,90,91,92,93,94,99,100,101,104,113,115,116,117,123,124,128,129,130,131,133,136,149,151,152,155) 30-year(3,4)
7/16/2020	1,500.1	398.7	▲0.008%	▲0.007%	2-year(402,403,407) 5-year(131,133,134,136,137,138,139,141,142) 10-year(328,329,330,335,339) 20-year(53,54,55,56,62,65,73,78,80)
8/12/2020	1,010.6	499.0	0.009%	0.014%	20-year(157,165,169,170,171,172) 30-year(23,30,31,38,43,46,47,49,50,54,56,65,66) 40-year(1,2,4,6,7,9,10,11,12)
8/14/2020	1,664.0	498.9	0.008%	0.011%	10-year(340,341,354,358) 20-year(82,83,84,89,116,117,118,121,122,123,124,128,129)

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

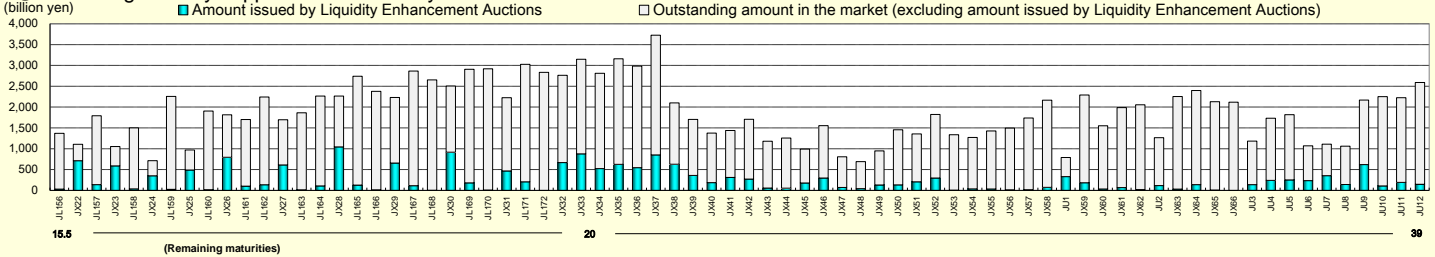
① Remaining maturity : approx. 1 - ~5 - year



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

## 10-year Inflation-Indexed

## Buy-Back Results

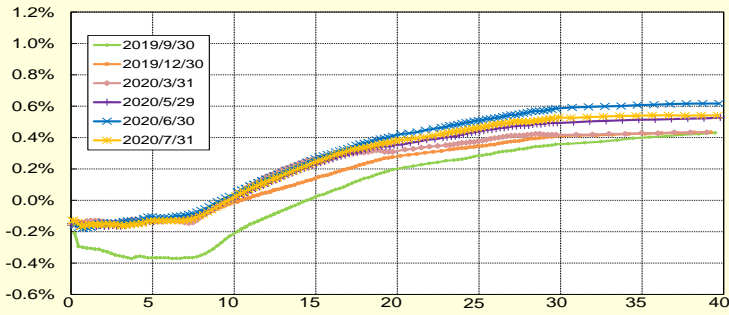
(Until 31 August 2020)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
5/13/2020	181.7	50.1	▲0.218	▲0.15	17, 18, 20, 21, 22, 23, 24, 25
6/26/2020	172.8	50.1	▲0.368	▲0.23	17, 18, 20, 21, 22, 23, 24, 25
7/8/2020	175.4	50.0	▲0.217	▲0.13	18, 19, 20, 21, 22, 23, 24, 25
8/19/2020	184.1	50.1	▲0.147	▲0.06	17, 18, 19, 20, 22, 23, 24, 25



# JGB Secondary Market

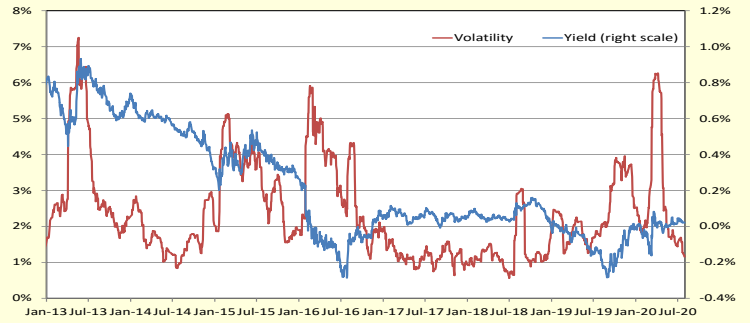
## JGB Yield Curves



Source: Japan Bond Trading Co.,Ltd.

## Yield and Volatility (10Yr)

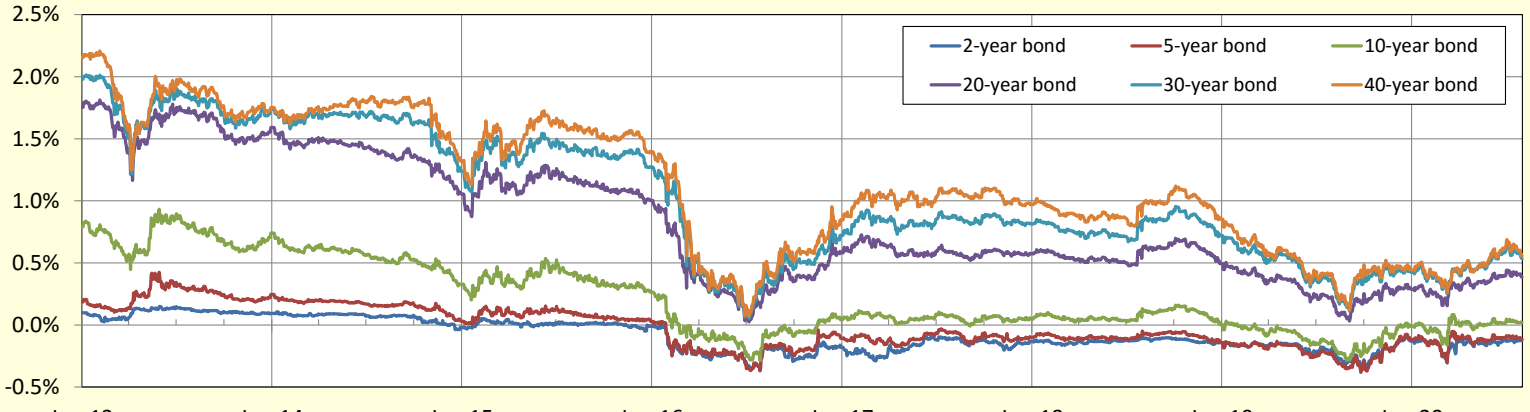
(Until 31 July 2020)



Source: Bloomberg, Calculation by the Ministry of Finance

## Yields of JGB

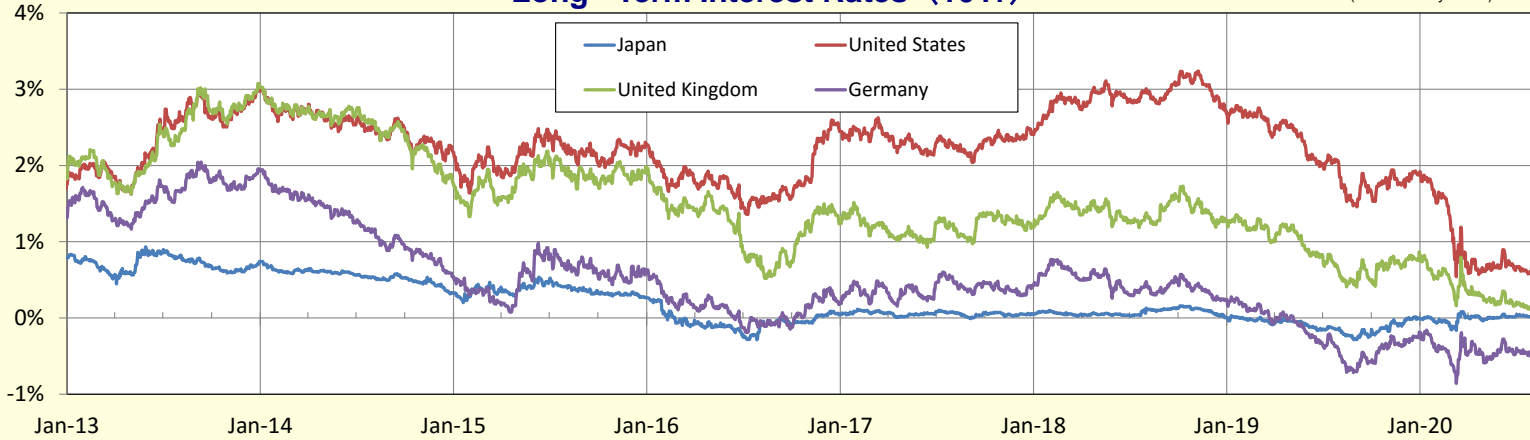
(Until 31 July 2020)



Source: Bloomberg

## Long - Term Interest Rates (10Yr)

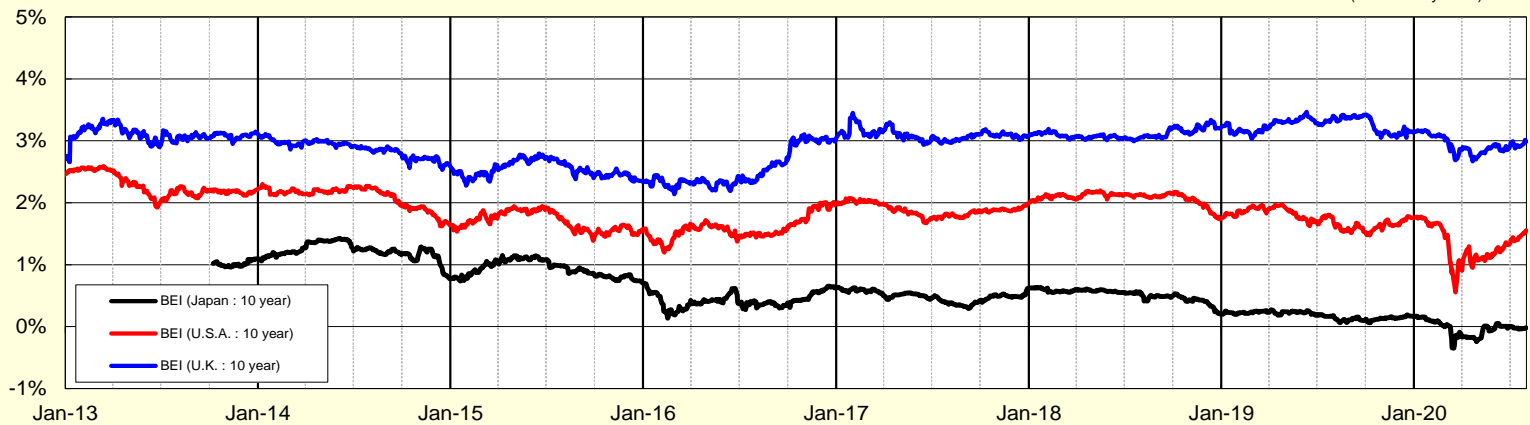
(Until 31 July 2020)



Source: Bloomberg

## Break-Even Inflation Rates

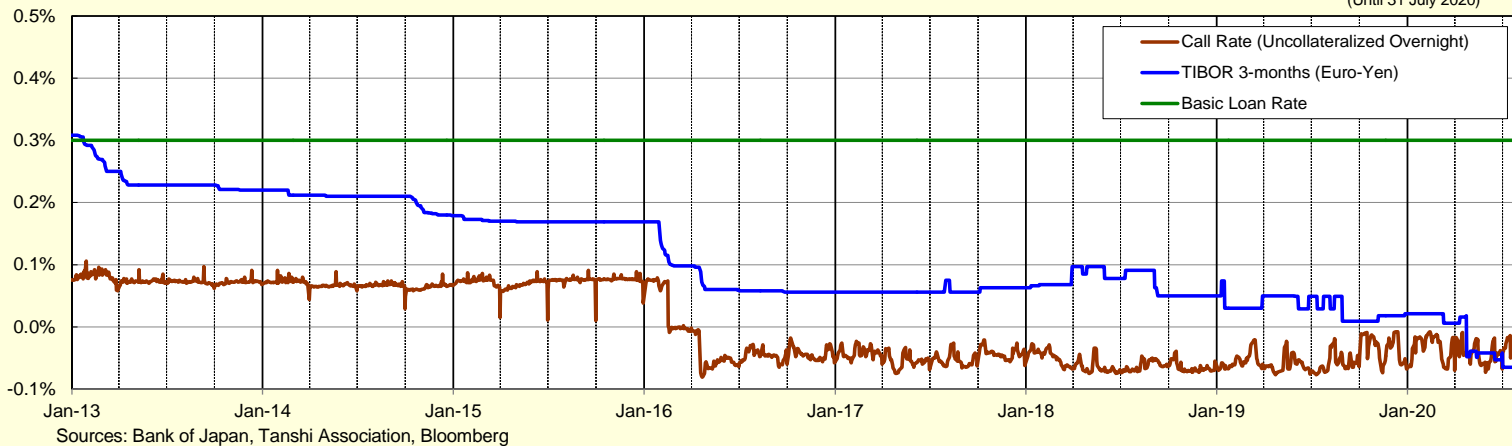
(Until 31 July 2020)



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

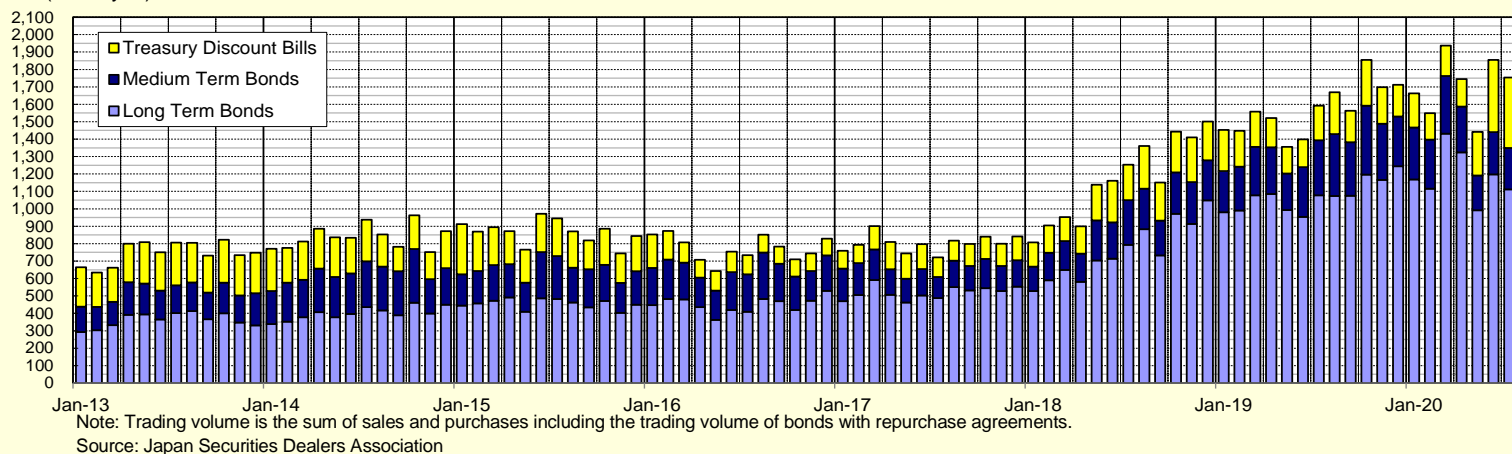
## Short-Term Interest Rates

(Until 31 July 2020)



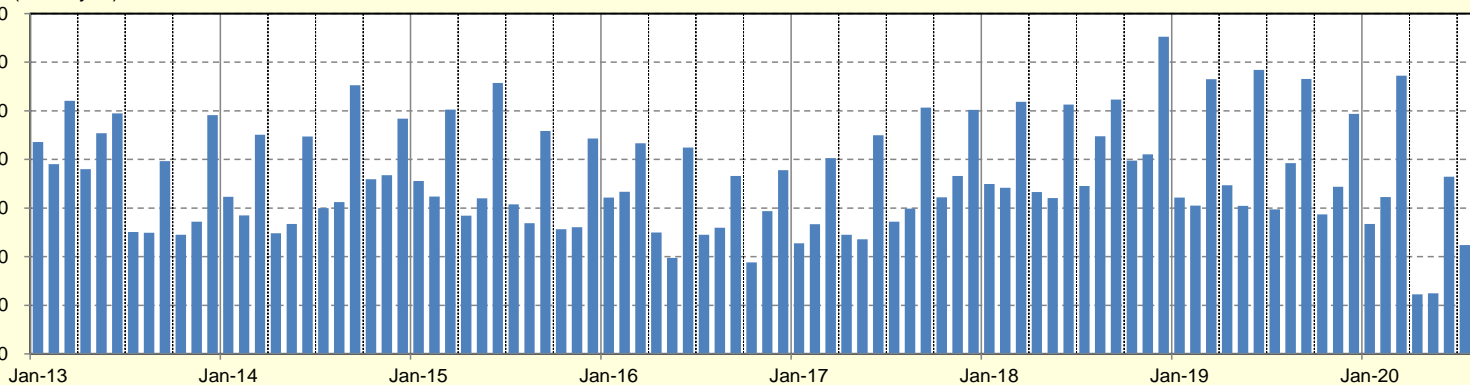
## JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



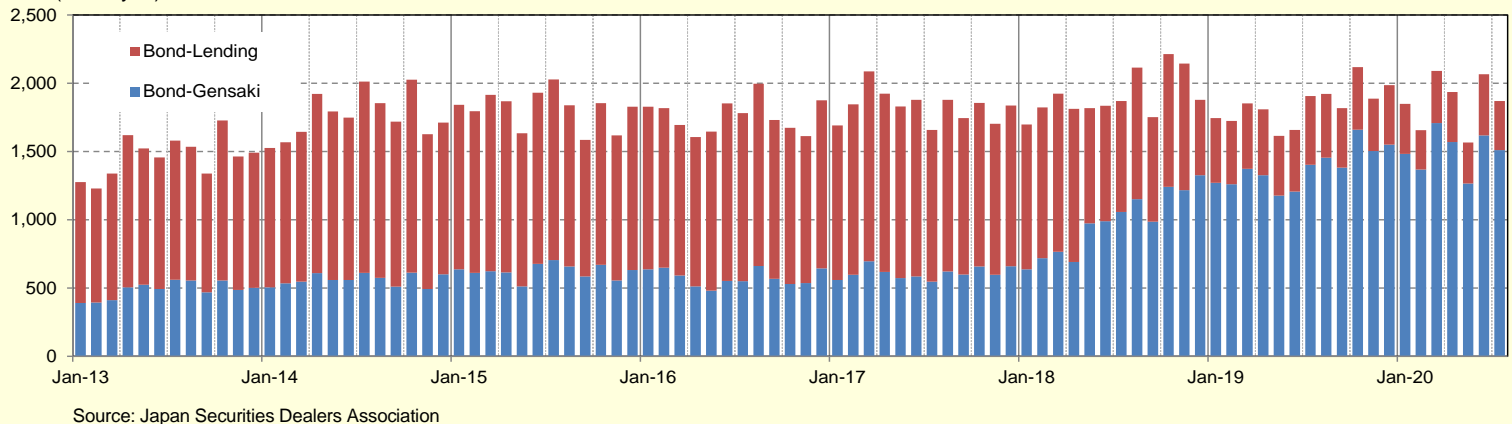
## Trading Volume of 10-Year JGB Futures

(trillion yen)



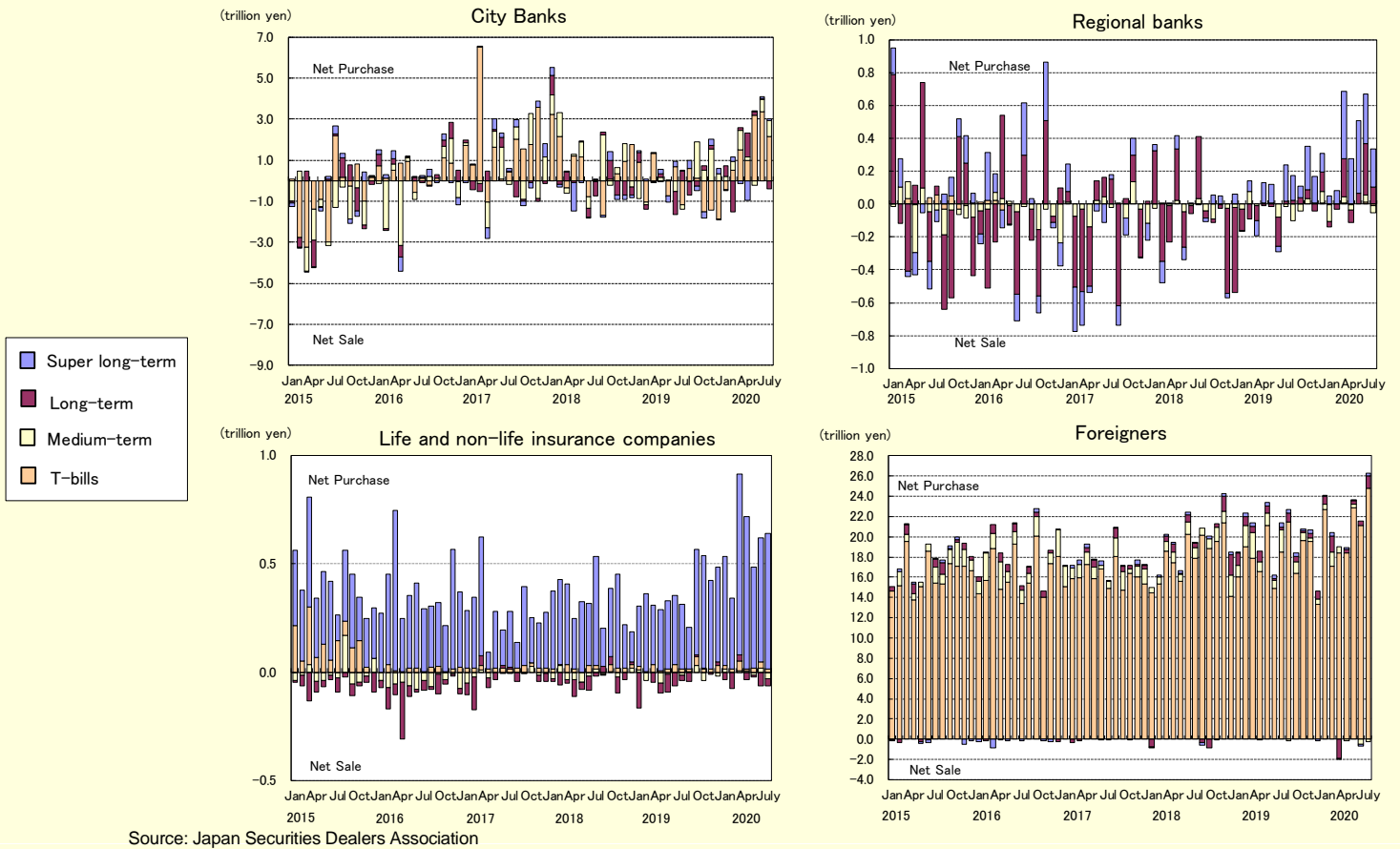
## Repurchase Transactions

(trillion yen)

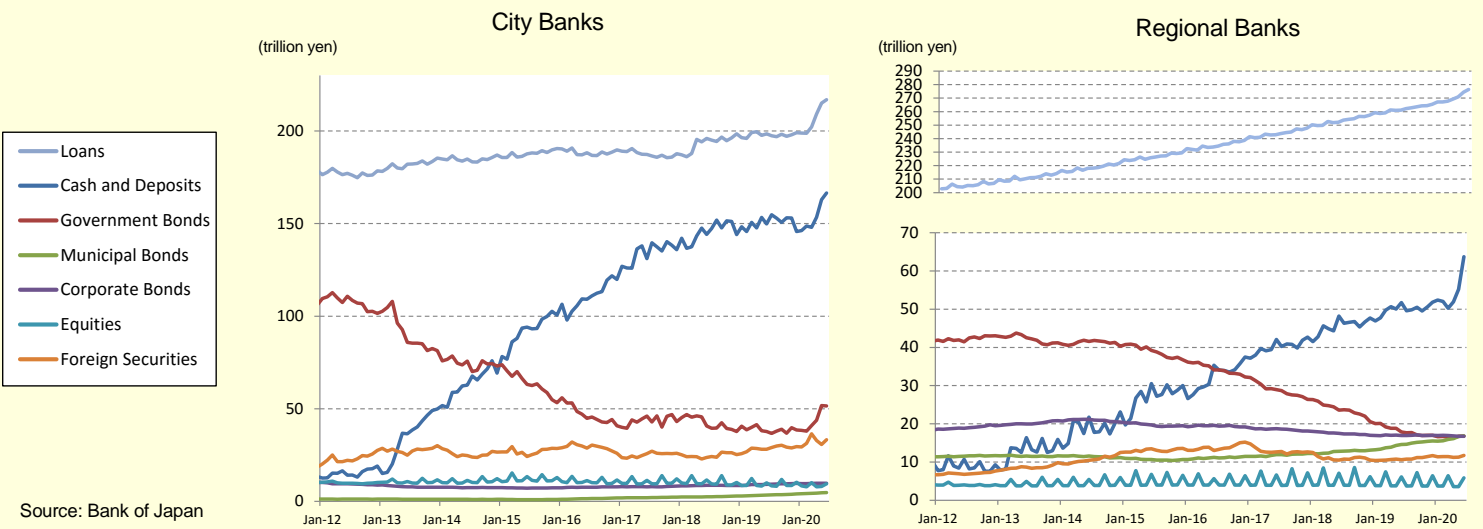


# Investor Trends and JGB Outstanding

## Trends in JGBs Transactions (by investor type)

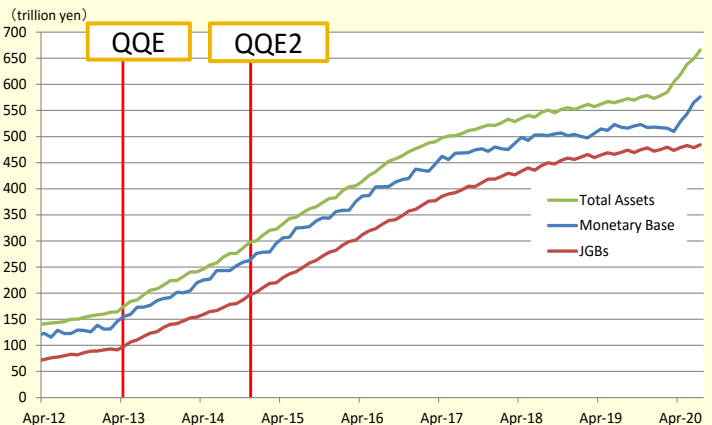


## Trends in Bank Assets by Types



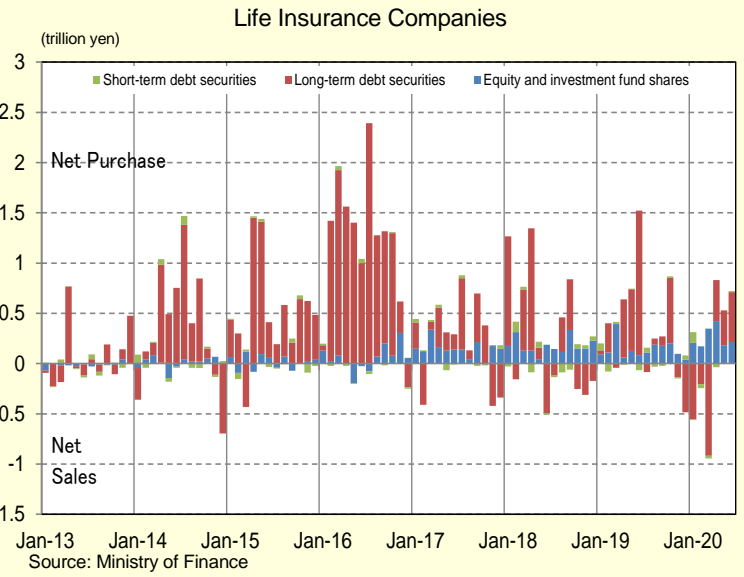
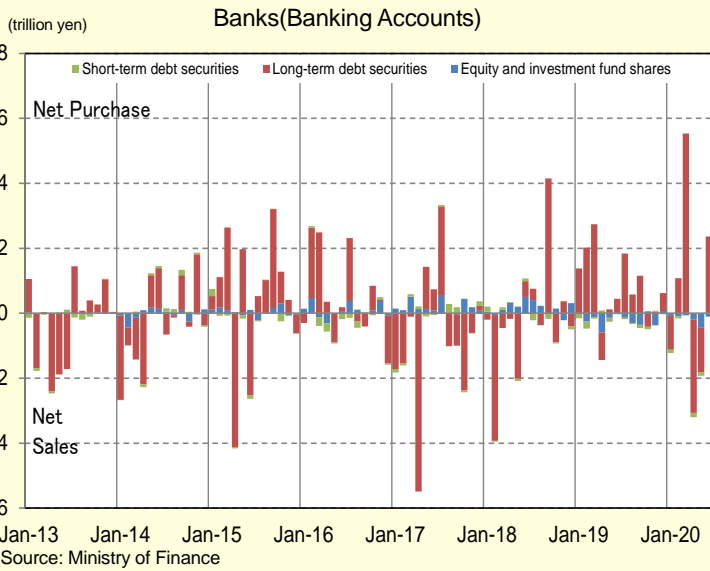
## BOJ Trends

	Apr 2013 (Actual)	July 2020 (Actual)
Monetary Base	155	576
JGBs	98	484
CP	1.4	4.7
Corporate Bonds	2.9	4.5
ETFs	1.7	33.5
J-REITs	0.13	0.62
<b>Total Assets</b>	<b>175</b>	<b>666</b>

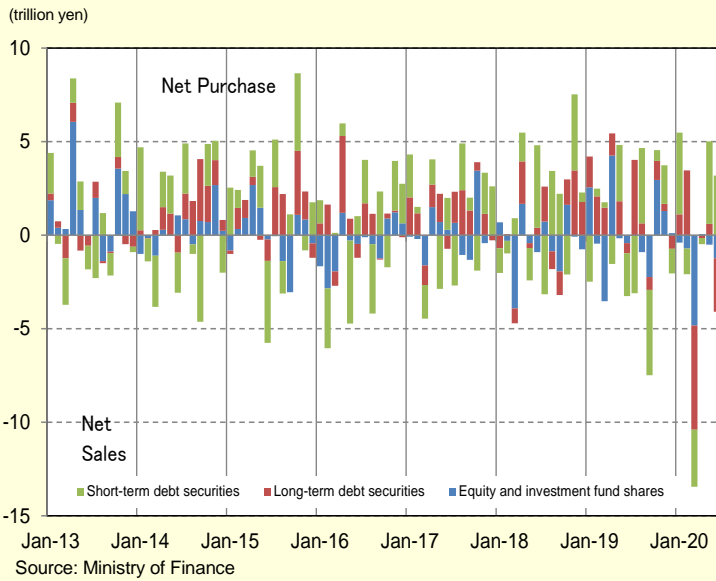


Source: Bank of Japan

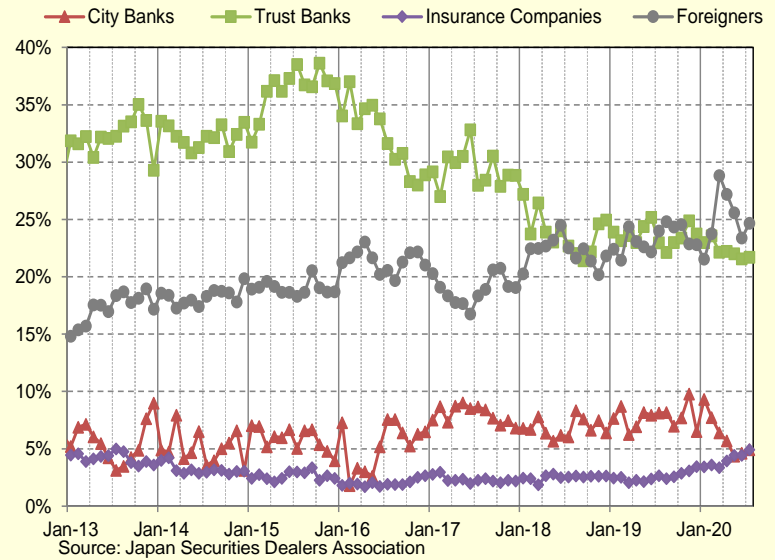
# Transactions of Foreign Securities by Residents (by Investor types)



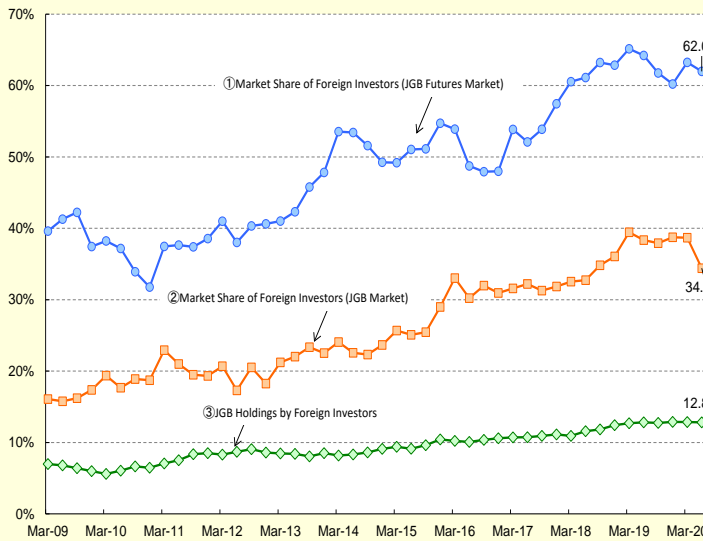
## Transactions of Domestic Securities by Non-Residents



## Outstanding of Repurchase Agreements (by Investor types)

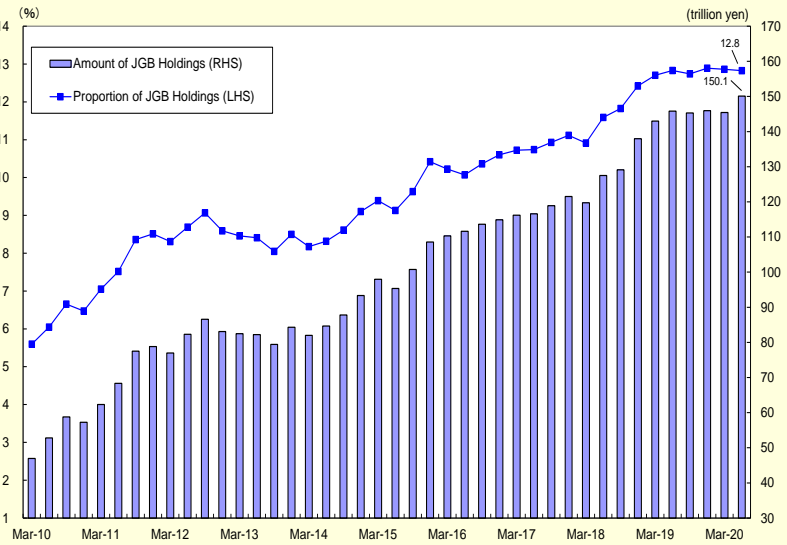


## Foreign Investors Presence



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

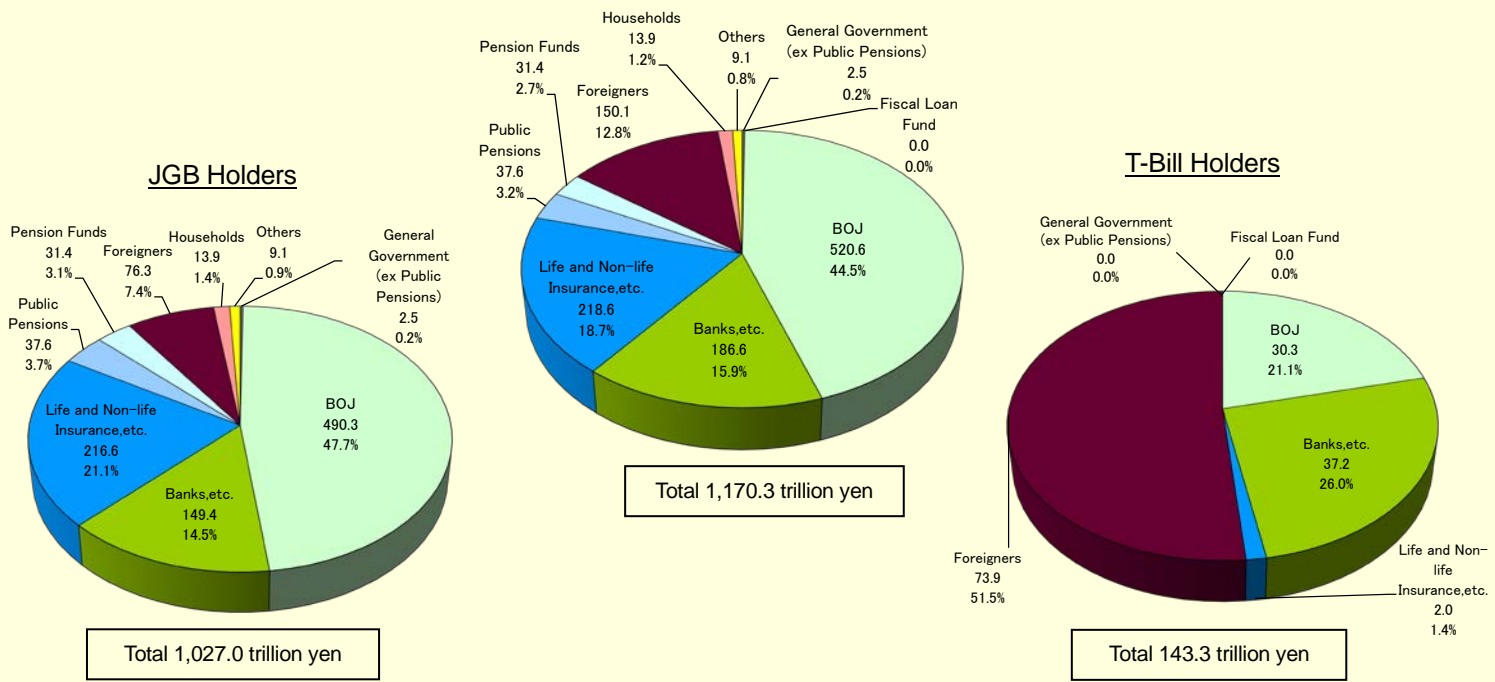
## JGBs Holdings by Foreign Investors



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

# Breakdown by JGB and T-Bill Holders (The end of June 2020 QE)

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



Note1: "JGB" includes "FILP Bonds."

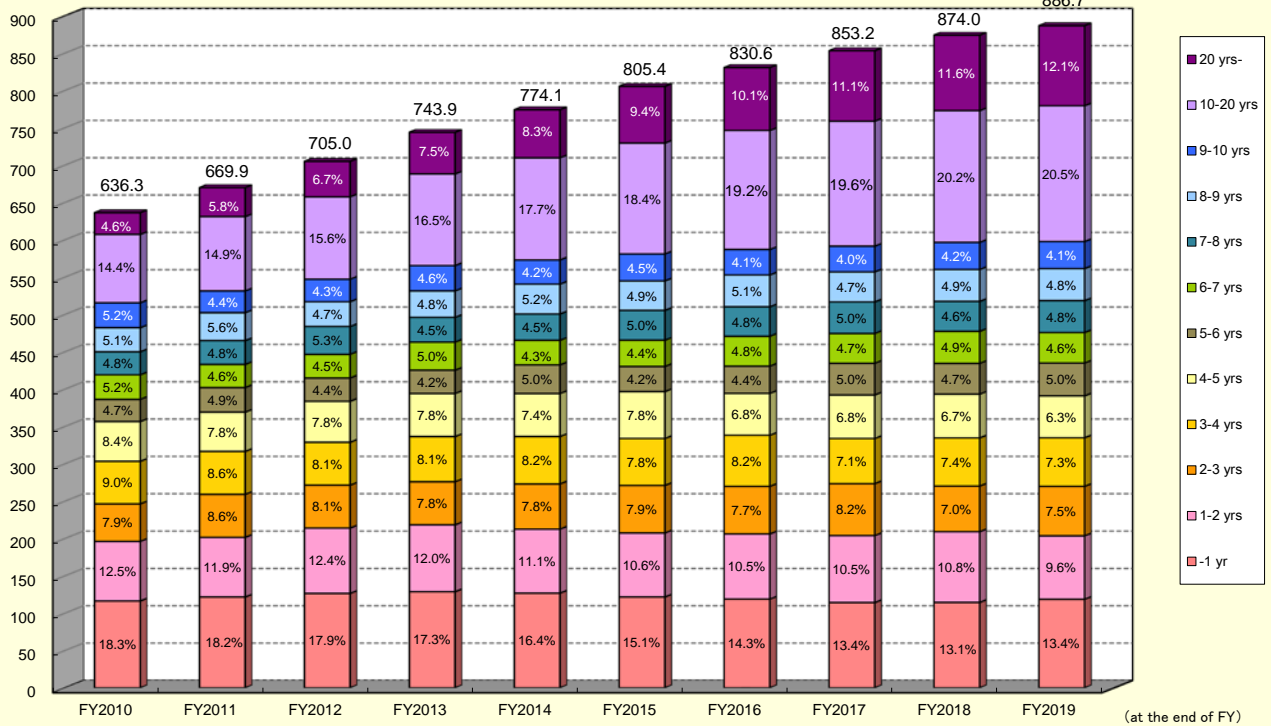
Note2: "Banks, etc." includes "Japan Post Bank," "Securities investment trust" and "Securities companies."

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

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

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

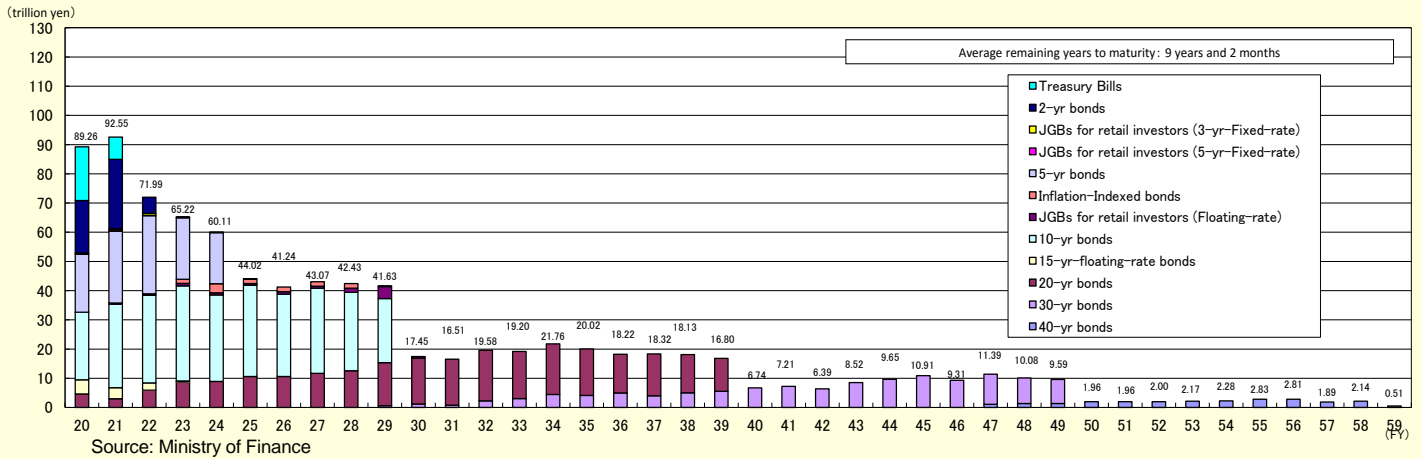
(Unit: trillion yen)



Average YTM	6Y8M	7Y0M	7Y3M	7Y7M	8Y0M	8Y5M	8Y7M	8Y10M	9Y0M	9Y2M
Average YTM* (excluding saving bonds)	6Y10M	7Y1M	7Y5M	7Y8M	8Y0M	8Y5M	8Y8M	8Y11M	9Y1M	9Y2M

\*years to maturity

## Time-to-Maturity Structure of Outstanding JGB (June 2020)

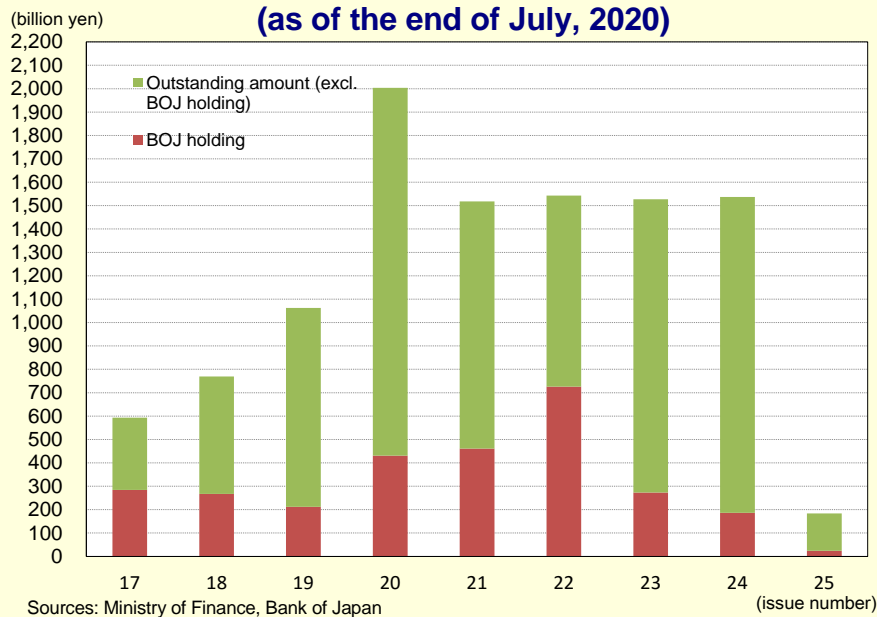


## Scheduled redemption of JGB at maturity in September, 2020

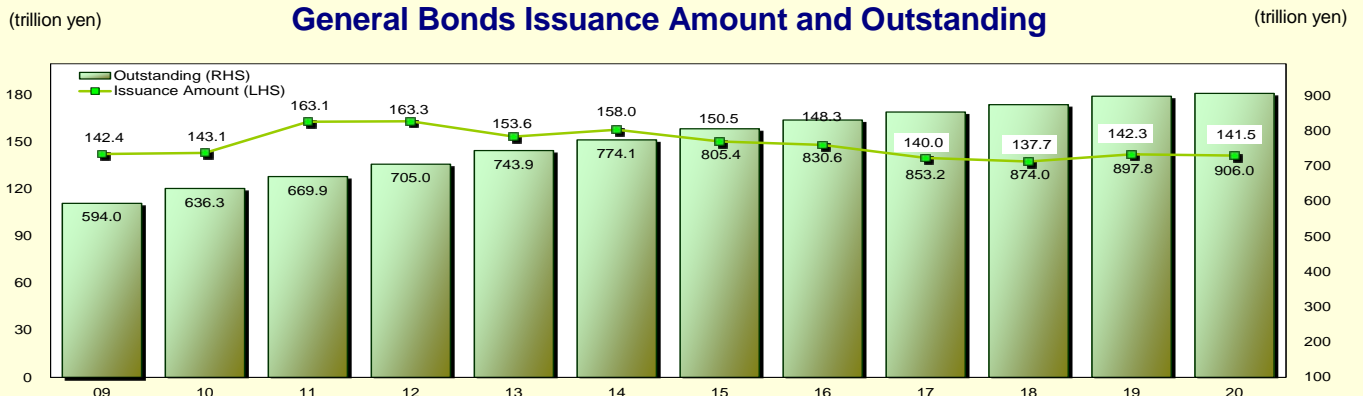
Types	The amount of redemption at maturity	Scheduled redemption date
20-Year Bonds	1,000.4	September 21
15-Year Floating-Rate Bonds	1,099.7	September 20
10-Year Bonds	8,721.5	September 20
5-Year Bonds	8,310.6	September 20
2-Year Bonds	2,307.5	September 1
Treasury Bills	1,800.0	September 23
Total	23,239.6	

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



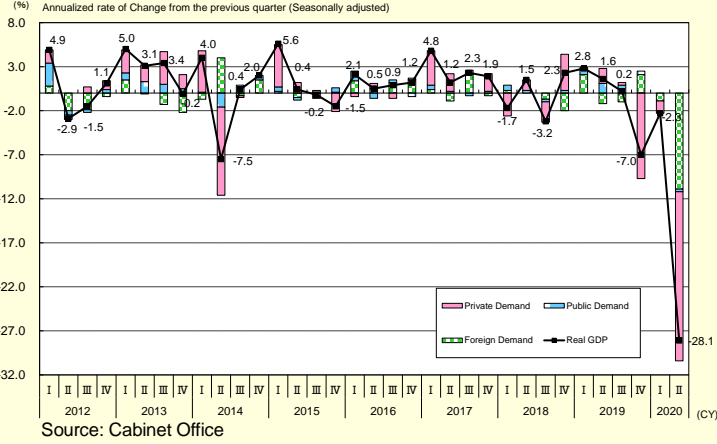
## General Bonds Issuance Amount and Outstanding



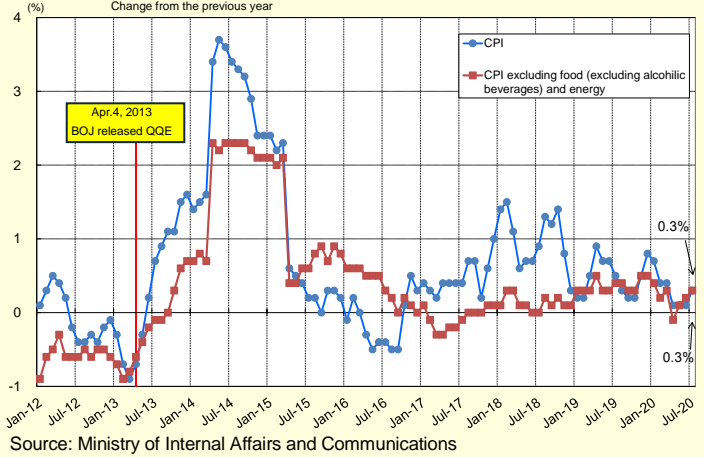
Note 1: Issuance Amount: revenue basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget  
 Note 2: Outstanding: nominal basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget  
 Source: Ministry of Finance

# Economic and Financial Trends

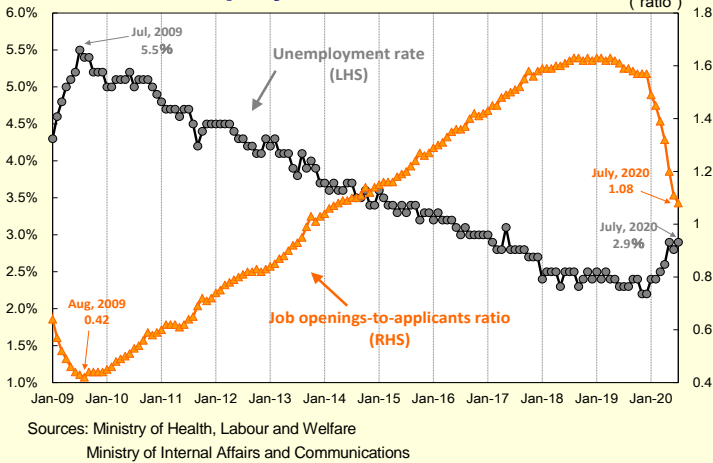
## Real GDP Growth Rate



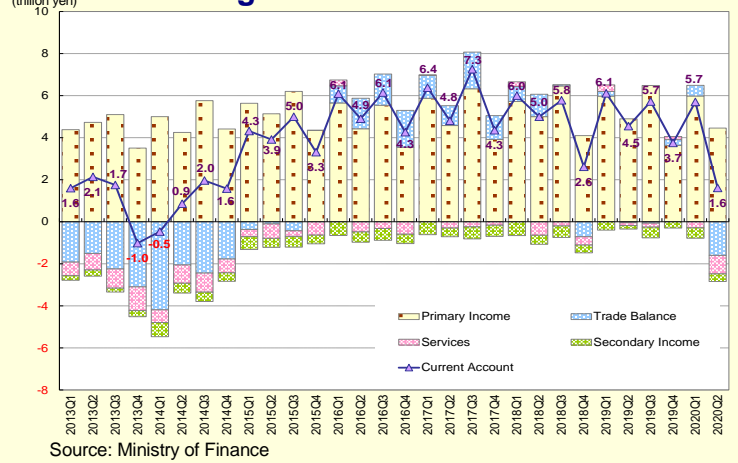
## Prices



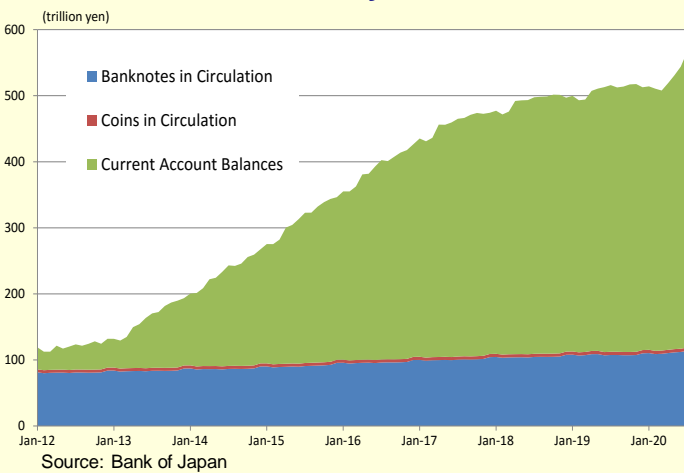
## Employment Conditions



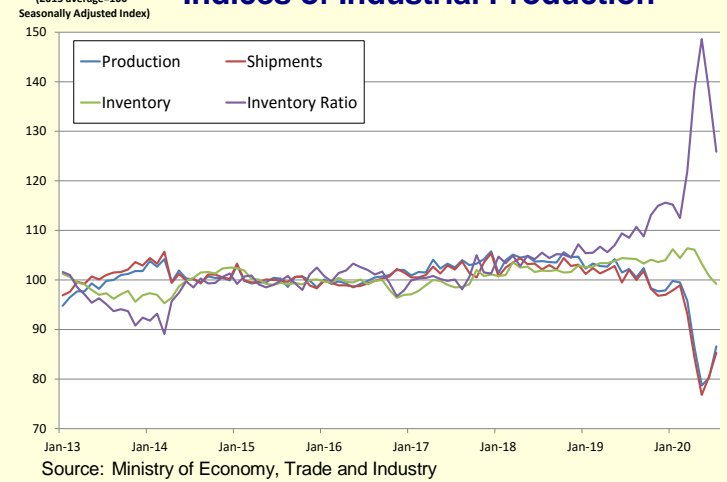
## Changes in Current Account



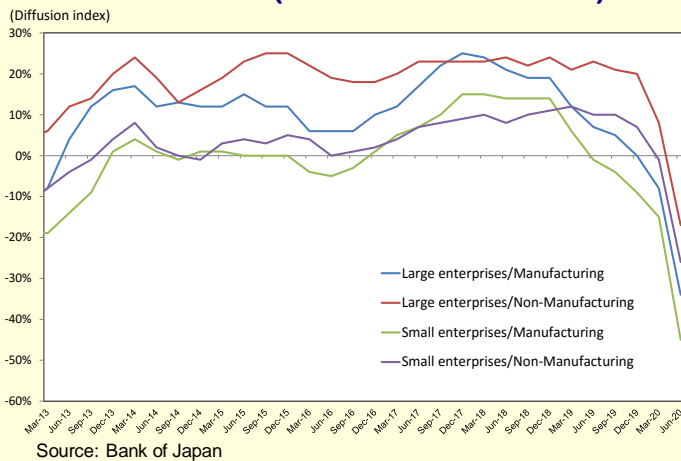
## Monetary Base



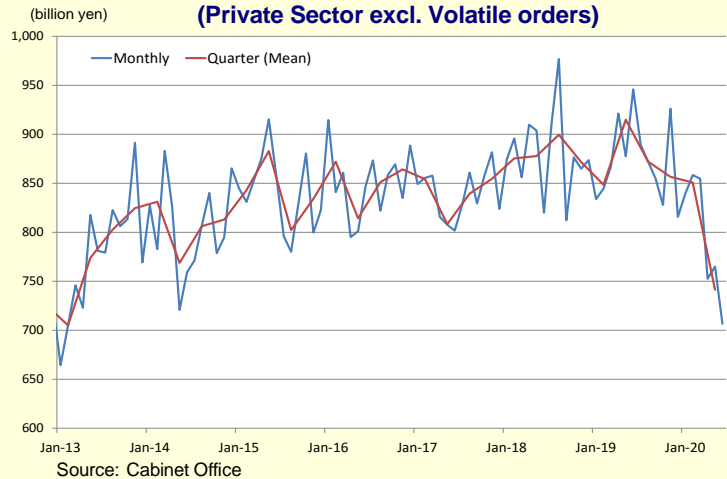
## Indices of Industrial Production



## TANKAN (Business Conditions)



## Total Value of Machinery Orders (Private Sector excl. 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>

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