

SUMMARY

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- ✓ The 52nd meeting of the Advisory Council on Government Debt Management was held on June 22, 2020. The agenda was as follows:
 1. Current and future JGB issuance
 2. COVID-19 and medium- to long-term challenges in Japan
 3. Current status of and future efforts in the JGB futures market
- ✓ The MOF has decided on the “Issuance of the Inflation-Indexed Bonds in July-September 2020” and “Issuance Amounts for Liquidity Enhancement Auctions in July-September 2020” following the discussions at the 89th Meeting of JGB Market Special Participants which was held on June 24 2020.

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- ✓ On June 25, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2020.

IR Office: Dialogue with the market amid expansion of the COVID-19 outbreak p.6

- ✓ The MOF has been holding forums aimed at promoting dialogue with the market, with non-face-to-face methods in 2020.

Statistics

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The Ministry of Finance

www.mof.go.jp

1. The 52nd meeting of the Advisory Council on Government Debt Management

The 52nd meeting of the Advisory Council on Government Debt Management was held on June 22, 2020. The agenda was as follows:

(Agenda)

1. Current and future JGB issuance
2. COVID-19 and medium- to long-term challenges in Japan
3. Current status of and future efforts in the JGB futures market

The MOF explained 1, Mr. Suezawa, SMBC Nikko Securities, explained 2, and Mr. Ichimoto, Osaka Exchange, explained 3. Here, we highlight the key discussions regarding the first topic in the meeting. For the other parts, please refer to the links below.

● **Current state and future considerations on Government Bond issuance**

➤ Summary of the Financial Bureau's presentation

(Current state of the Government Bond issuance in Japan)

- Under the supplementary budgets formulated in April and May, the total amount of JGBs to be issued in FY2020 was increased by approx. 100 trillion yen from the initial FY2020 plan to about 253 trillion yen, the largest amount ever recorded. The calendar-based JGB Market Issuance amount was increased to over 200 trillion yen, also marking a historical high.
- One feature of the revisions on the issuance plan was that, as for the maturity composition of the amount, the MOF set relatively large increases in the short-term zones by checking the room for additional amounts in each zone after careful dialogue with the market.

(Current state of the Government Bond issuance in foreign countries)

- Foreign countries have come up with economic assistance packages due to the spread of COVID-19. Subsequently, they have been forced to raise more funds by changing government bond issuance plans and increasing government bond issuances. The U.S., Germany and France are issuing relatively large amounts of discount bonds. With regard to coupon-bearing bonds, each country sets relatively large increases in the 1- to 7-year short-term zone in general.

(Future considerations on JGB issuance)

- The MOF sets three future considerations:
 - ✓ to correspond flexibly depending on the actual situation in order to ensure necessary fundraising;
 - ✓ to continue stable and transparent government bond issuance from the viewpoint of minimizing medium- to long-term fundraising costs, figuring out medium- to long-term demands of investors, along with considerations on the future government bond issuance outlook, appropriate debt management such as Cost-at-Risk analysis and so on; and
 - ✓ to consider change in the structure of operations, bearing in mind the probability that split operations and working remotely, which have been widely conducted since the Japanese government declared the state of emergency amid expansion of the COVID-19 outbreak, will continue.

- In terms of recent efforts for the JGB issuance plan, the MOF decided on flexible issuance of Treasury Discount Bills. It is mentioned in the plan that the maturity of them, their issuance amount and the number of auctions may be adjusted in a flexible manner. The MOF also decided on changing the plan in the middle of the fiscal year. Last year in the 51st round, when discussing the initial JGB issuance plan, the MOF touched on the possibility of changing the plan for the latter half of the fiscal year in response to market circumstances and issuance conditions.
 - Understanding the behavior changes of investors is another challenge regarding the drastic change in the market environment. Especially, overseas IR activities remain a key tool to grasp foreign investors' activities. However, the MOF was not able to conduct them from February in view of the expanding COVID-19 pandemic. Since it seems the inability to go on overseas business trips will continue, conducting IR activity via web conference and so on is worth considering.
- Views expressed by the members (summarized by Financial Bureau)
- While the increased issuance amount by the first and second supplementary budgets is extremely large, it was a favorable decision to set relatively large increases in the short-term zones from the perspective of secure issuance.
 - Most recently, due to difficulty in investments and the deflationary impact of the COVID-19 pandemic, market participants are forced to buy government bonds following the risk-off trend. In fact, since short-term bonds are considered preferable, the U.S. has been rapidly issuing government bonds at the level around 2 trillion US dollars. Most of them are issued as short-term bonds, preventing the long-term interest rate to rise. Although buying short-term bonds is currently preferred as a flight to quality response, it is unclear whether this trend will continue from the medium- to long-term perspective.
 - Amid this kind of crisis, considering flexible government bond issuance is important. In Japan, however, the bond issuance plan is announced in detail with a specific figure for each tenor in December of the previous year when the budget is formulated. It is likely worth considering focusing more on flexibility, by deciding rough amounts for the maturity zones and adjusting the details later on, for instance.
 - While COVID-19 spreads around the world, the amount of government bonds issued in Japan has reached double compared to those in other countries, and the outstanding amount of the government debt is by far the highest. Facing this crisis under such situation, it is important to maintain the market's confidence in the Debt Management Policy. Moreover, how steadily we can promote fiscal consolidation when the economy returns to normal is becoming more important.
 - With regard to overseas IR activity, it is true that visiting investors' offices has become difficult. On the other hand, meeting them online can save time and costs, whereby we can arrange more meetings. Opportunity lies in the middle of difficulty, thus contacting new investors under the current situation should be a worthy thing to attempt.

2. Inflation-indexed Bonds and Liquidity Enhancement Auction (July-September quarter 2020)

The MOF has decided on the “Issuance of the Inflation-Indexed Bonds in July-September 2020” and “Issuance Amounts for Liquidity Enhancement Auctions in July-September 2020” following the discussions at the 89th Meeting of JGB Market Special Participants which was held on June 24, 2020.

<Issuance of the Inflation-Indexed Bonds in July-September 2020>

- ✓ Issuance amount in August 2020: Approximately 200 billion yen.
- ✓ The auction schedule for the Buy-Back Program of Inflation-Indexed Bonds in the July-September quarter 2020 was determined as below:

Auction Month	Auction Amount
July 2020	Buy-Back: Approximately 50 billion yen
August 2020	Issuance: Approximately 200 billion yen Buy-Back: Approximately 50 billion yen
September 2020	Buy-Back: Approximately 50 billion yen

(Source) MOF https://www.mof.go.jp/english/jgbs/topics/press_release/20200626-02e.htm

<Issuance Amounts for Liquidity Enhancement Auctions in July-September 2020>

- ✓ The auction schedule for Liquidity Enhancement Auctions in the July-September quarter 2020 was determined as below:

	July 2020	August 2020	September 2020
(1) Issues with remaining maturities of 1-5 years	Approximately 400 billion yen	-	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	-

(Source) MOF https://www.mof.go.jp/english/jgbs/topics/press_release/20200626-01e.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 JGB auctions, which is updated quarterly.

Top 10 PDs for Successful Bids in Auctions (Weighted by Duration) (Jan. 2020 - June 2020)

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

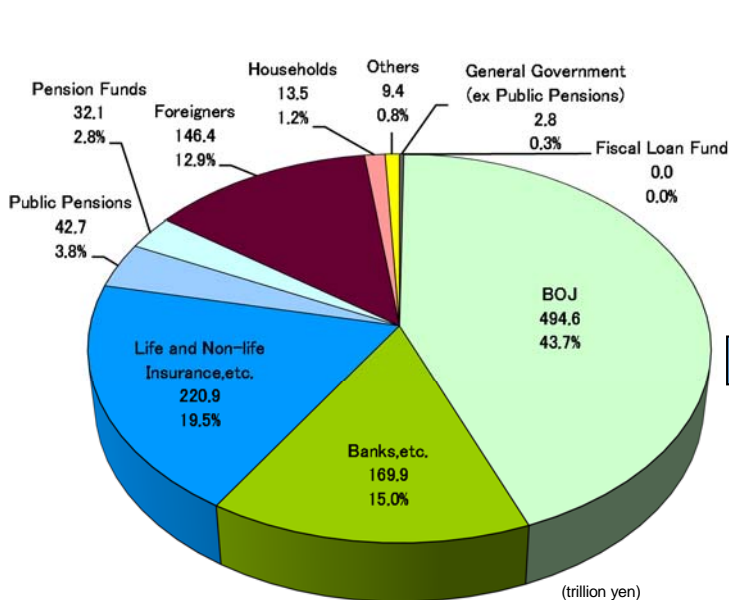
Monthly Topic

Breakdown by JGBs (including T-Bills) Holders (end of Mar. 2020)

On June 25, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2020. The shares of JGBs (including T-Bills, hereinafter referred to as “JGBs”) holders were updated as follows:

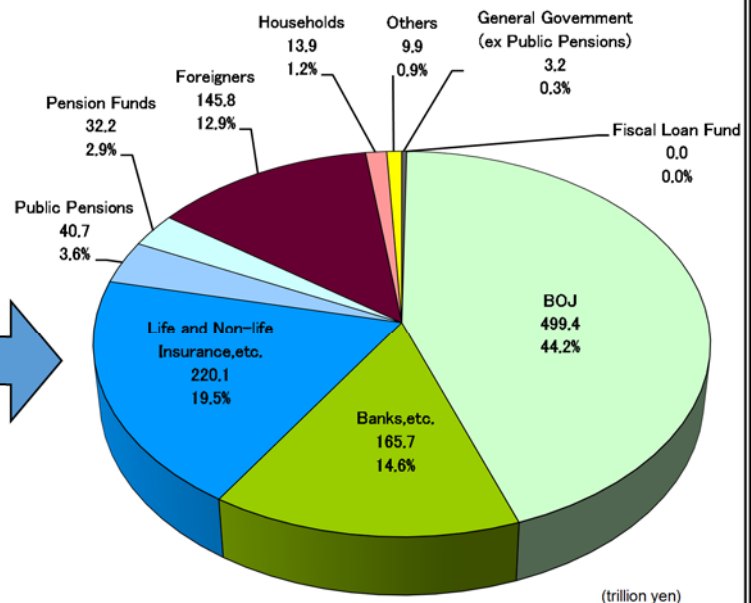
- The total amount of JGBs and T-Bills outstanding decreased by 1.4 trillion yen to 1,130.8 trillion yen.
- BOJ increased its holdings of JGBs by 4.8 trillion yen to 499.4 trillion yen.
- The amount of JGBs held by domestic Banks in Q1 fell by 4.2 trillion yen to 165.7 trillion yen.
- The amount of JGBs held by foreign investors in Q4 decreased by 0.6 trillion yen to 145.8 trillion

The end of Dec. 2019



Total ¥1,132.2 trillion

**The end of Mar. 2020
(Preliminary Figures)**



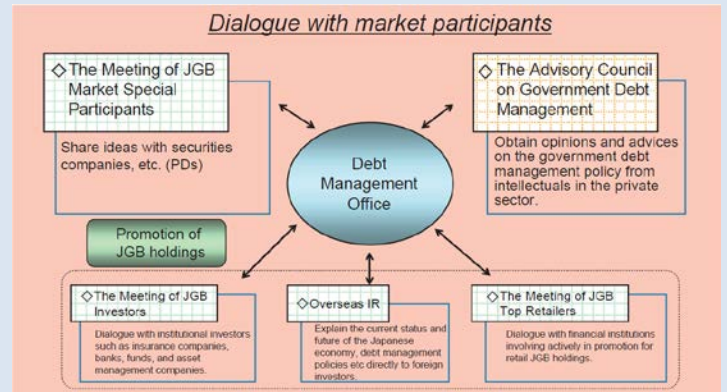
Total ¥1,130.8 trillion

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

In Japan, “Basic Policies for Novel Coronavirus Disease Control” was decided by the Headquarters for Novel Coronavirus Disease Control on February 25, 2020. In the policy, it is stated “communities and companies to re-examine the necessity of hosting public events from the viewpoint of infection control.” Amid expansion of the Novel Coronavirus (COVID-19) outbreak, the Japanese Government declared a state of emergency for seven prefectures on April 7 and for the whole of Japan on April 16, which led split operations and working remotely to spread in Japan.

Under such circumstances, the Ministry of Finance (MOF) has been holding forums aimed at promoting dialogue with the market, with non-face-to-face methods in 2020 as below:



- March 23: The Meeting of JGB Market Special Participants (held on paper)
- March 24: The Meeting of JGB Investors (held on paper)
- April 2: The Meeting of JGB Market Special Participants (held on paper)
- April 2: The Meeting of JGB Investors (held on paper)
- April 30: The Meeting of JGB Market Special Participants (held on paper)
- May 22: The Meeting of JGB Market Special Participants (held on paper)
- May 22: The Meeting of JGB Investors (held on paper)
- June 10: The Meeting of JGB Top Retailers (teleconference)
- June 22: The Advisory Council on Government Debt Management (online conference)
- June 24: The Meeting of JGB Market Special Participants (held on paper)

With regard to our overseas IR activities, we have been unable to conduct them from February in view of the COVID-19 pandemic. In the Advisory Council on Government Debt Management held on June 22, further approaches to JGB investors, including the idea of holding web conferences, were discussed.

We will continue making efforts to enhance relations with foreign investors in JGBs while monitoring the pandemic conditions.

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

Auction Results (Bonds)

(Until 30 June 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)
4/2/2020	10-year	358	3/20/2030	0.1%	7,101.0	1,693.7	0.024%	0.023%	1.005	404.7	206.4
4/7/2020	30-year	66	3/20/2050	0.4%	2,018.0	572.2	0.441%	0.426%	-	127.5	0.0
4/9/2020	5-year	143	3/20/2025	0.1%	7,669.8	1,541.1	▲0.093%	▲0.095%	-	358.4	189.1
4/21/2020	20-year	172	3/20/2040	0.4%	2,615.0	730.1	0.340%	0.335%	-	169.3	0.0
4/23/2020	2-year	412	5/1/2022	0.1%	8,808.9	1,622.5	▲0.136%	▲0.140%	-	377.1	163.2
5/8/2020	10-year Inflation-Indexed Bonds	25	3/10/2030	0.2%	768.6	200.0	0.117%	-	-	-	-
5/12/2020	10-year	358	3/20/2030	0.1%	6,936.0	1,696.1	0.000%	▲0.001%	0.265	403.1	208.9
5/14/2020	30-year	66	3/20/2050	0.4%	2,085.7	565.5	0.453%	0.449%	-	133.5	20.4
5/18/2020	5-year	143	3/20/2025	0.1%	6,919.0	1,540.3	▲0.119%	▲0.122%	-	358.9	87.1
5/20/2020	20-year	172	3/20/2040	0.4%	3,108.9	732.1	0.335%	0.332%	-	167.0	58.2
5/26/2020	40-year	13	3/20/2060	0.5%	1,527.3	499.5	0.505%	-	-	-	10.4
5/28/2020	2-year	413	6/1/2022	0.1%	8,550.6	1,620.5	▲0.169%	▲0.172%	1.000	378.0	29.2
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

Auction Results (Treasury Discount Bills)

(Until 30 June 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)
4/3/2020	3-month	898	7/6/2020	15,686.60	4,089.56	▲0.1022%	▲0.1218%	950.40
4/9/2020	6-month	899	10/12/2020	11,537.80	2,354.98	▲0.1419%	▲0.1458%	545.00
4/10/2020	3-month	900	7/13/2020	15,499.80	4,090.55	▲0.1202%	▲0.1431%	949.40
4/16/2020	1-year	901	4/20/2021	7,054.50	1,545.99	▲0.1477%	▲0.1547%	354.00
4/17/2020	3-month	902	7/20/2020	13,446.00	4,089.55	▲0.1263%	▲0.1367%	950.40
4/24/2020	3-month	903	7/27/2020	16,322.50	4,657.78	▲0.1142%	▲0.1283%	1,082.20
5/1/2020	3-month	904	8/3/2020	22,746.85	5,896.47	▲0.0995%	▲0.1061%	1,343.50
5/7/2020	6-month	905	11/10/2020	12,344.50	2,032.69	▲0.1435%	▲0.1474%	467.30
5/8/2020	3-month	906	8/11/2020	22,461.77	5,933.43	▲0.1110%	▲0.1229%	1,306.50
5/15/2020	3-month	907	8/17/2020	21,298.40	5,873.63	▲0.1102%	▲0.1154%	1,366.30
5/19/2020	1-year	908	5/20/2021	9,297.30	2,029.07	▲0.1607%	▲0.1657%	470.90
5/22/2020	3-month	909	8/24/2020	21,321.49	6,600.26	▲0.1102%	▲0.1166%	1,539.70
5/27/2020	6-month	910	11/25/2020	11,486.60	2,027.37	▲0.1607%	▲0.1627%	472.60
5/29/2020	3-month	911	8/31/2020	18,154.30	6,618.26	▲0.1002%	▲0.1078%	1,521.70
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

Auction Calendar for Jul. 2020 – Sep. 2020

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
7/2(Thu)	10-year	7/22(Wed)	T-Bills (3-month)	8/19(Wed)	T-Bills (1-year)	9/10(Thu)	20-year
7/3(Fri)	T-Bills (3-month)	7/28(Tue)	40-year	8/20(Thu)	5-year	9/11(Fri)	T-Bills (3-month)
7/7(Tue)	30-year	7/30(Thu)	2-year	8/21(Fri)	T-Bills (3-month)	9/15(Tue)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
7/9(Thu)	T-Bills (6-month)	7/31(Fri)	T-Bills (3-month)	8/24(Mon)	T-Bills (6-month)	9/16(Wed)	T-Bills (1-year)
7/9(Thu)	5-year	8/4(Tue)	10-year	8/25(Tue)	20-year	9/18(Fri)	T-Bills (3-month)
7/10(Fri)	T-Bills (3-month)	8/6(Thu)	T-Bills (6-month)	8/27(Thu)	2-year	9/18(Fri)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)
7/14(Tue)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	8/6(Thu)	10-year Inflation-Indexed Bonds	8/28(Fri)	T-Bills (3-month)	9/24(Thu)	T-Bills (6-month)
7/16(Thu)	T-Bills (1-year)	8/7(Fri)	T-Bills (3-month)	9/1(Tue)	10-year	9/24(Thu)	40-year
7/16(Thu)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	8/12(Wed)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)	9/3(Thu)	30-year	9/25(Fri)	T-Bills (3-month)
7/17(Fri)	T-Bills (3-month)	8/14(Fri)	T-Bills (3-month)	9/4(Fri)	T-Bills (3-month)	9/29(Tue)	2-year
7/21(Tue)	T-Bills (6-month)	8/14(Fri)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	9/8(Tue)	5-year		
7/21(Tue)	20-year	8/18(Tue)	30-year	9/9(Wed)	T-Bills (6-month)		

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

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

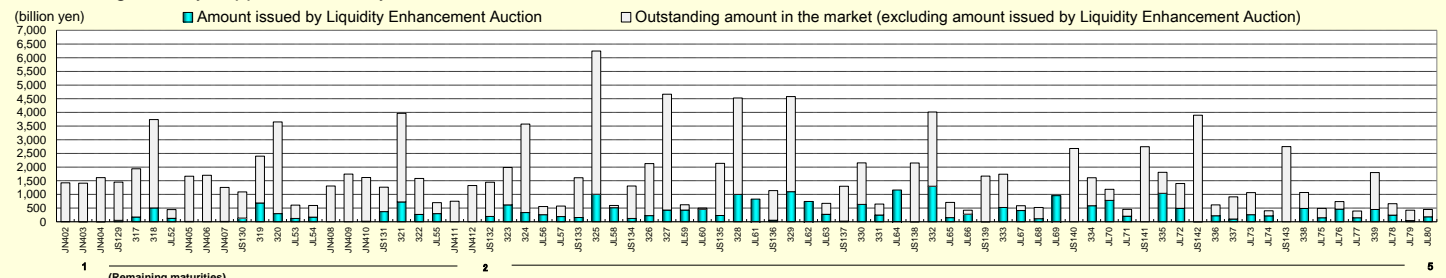
Results of Liquidity Enhancement Auctions

(Until 30 June 2020)

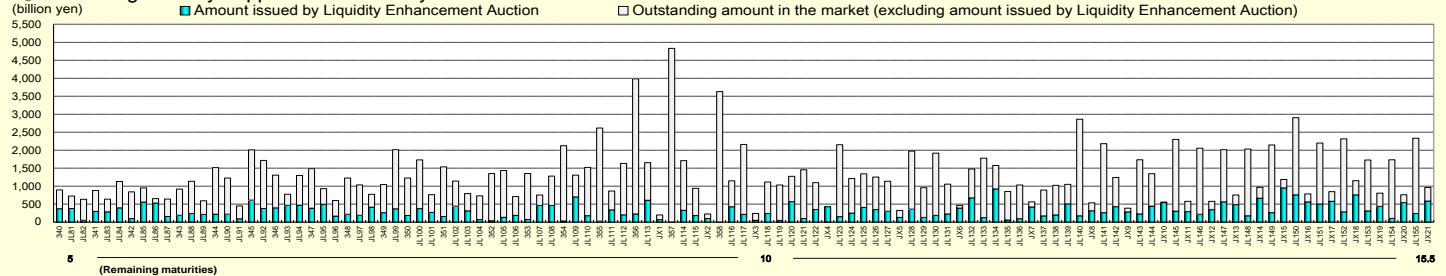
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
4/14/2020	1,194.8	499.1	0.016%	0.022%	20-year(155, 156, 157, 159, 160, 166, 167, 168, 169, 170) 30-year(23, 27, 28, 30, 32, 33, 34, 36, 38, 41, 42, 44, 45, 46, 48, 49, 54, 57, 58, 59, 60, 62, 64, 65) 40-year(1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12)
4/16/2020	1,870.1	499.2	▲0.011%	▲0.009%	10-year(339, 344, 345, 346, 347, 348, 349, 350, 354, 355) 20-year(84, 87, 88, 89, 90, 91, 92, 95, 96, 97, 98, 132, 134, 135, 136, 141, 142, 145, 151)
5/1/2020	1,315.3	399.4	0.014%	0.018%	2-year(404, 405, 407, 410) 5-year(133, 134, 135, 136, 137, 139, 142) 10-year(325, 327, 328, 329, 330, 332, 334, 335, 336, 337, 338) 20-year(54, 55, 56, 61, 62, 63, 64, 65, 69, 70, 71)
5/22/2020	1,726.8	498.4	▲0.007%	▲0.005%	10-year(339, 341, 345, 346, 348) 20-year(93, 97, 98, 99, 100, 112, 117, 118, 124, 135, 136, 149, 150, 151, 152, 153, 154) 30-year(15, 16, 17, 18)
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)

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

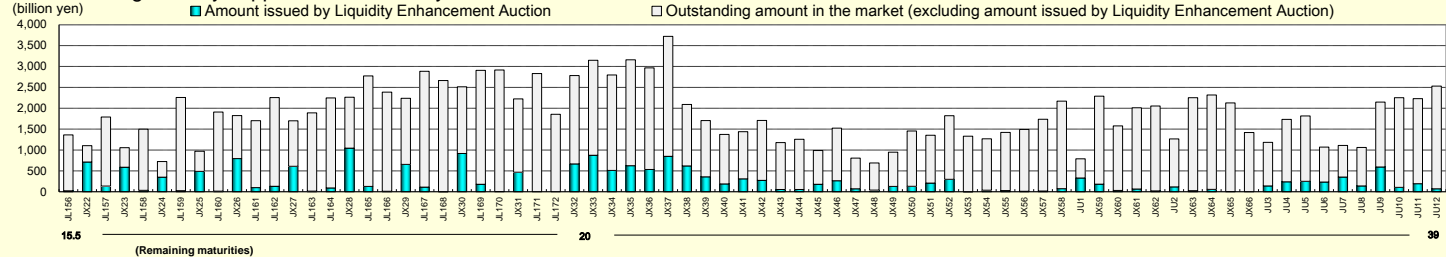
① Remaining maturity : approx. 1 - ~5 - year



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

10-year Inflation-Indexed

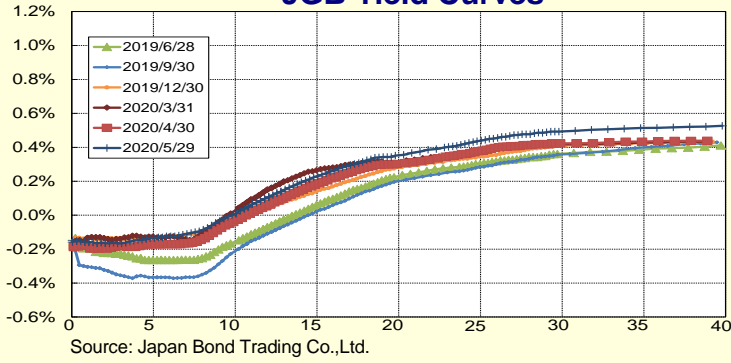
Buy-Back Results

(Until 30 June 2020)

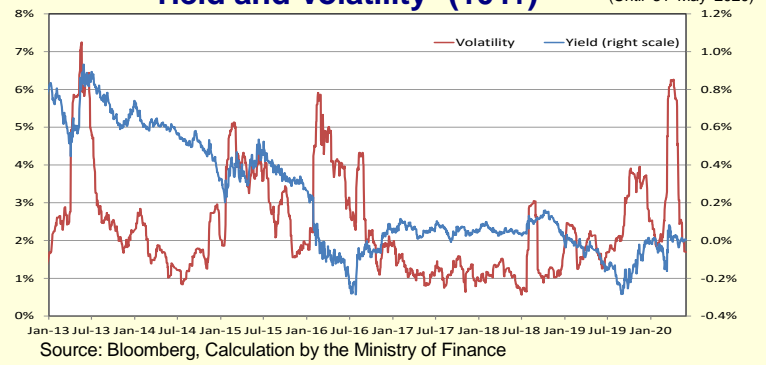
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
3/4/2020	88.1	20.1	0.089	0.19	17, 18, 19, 20, 21, 22, 23, 24
3/25/2020	373.7	300.0	0.279	0.55	
4/17/2020	176.2	50.2	▲0.298	▲0.20	18, 20, 21, 22, 23, 24
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

JGB Secondary Market

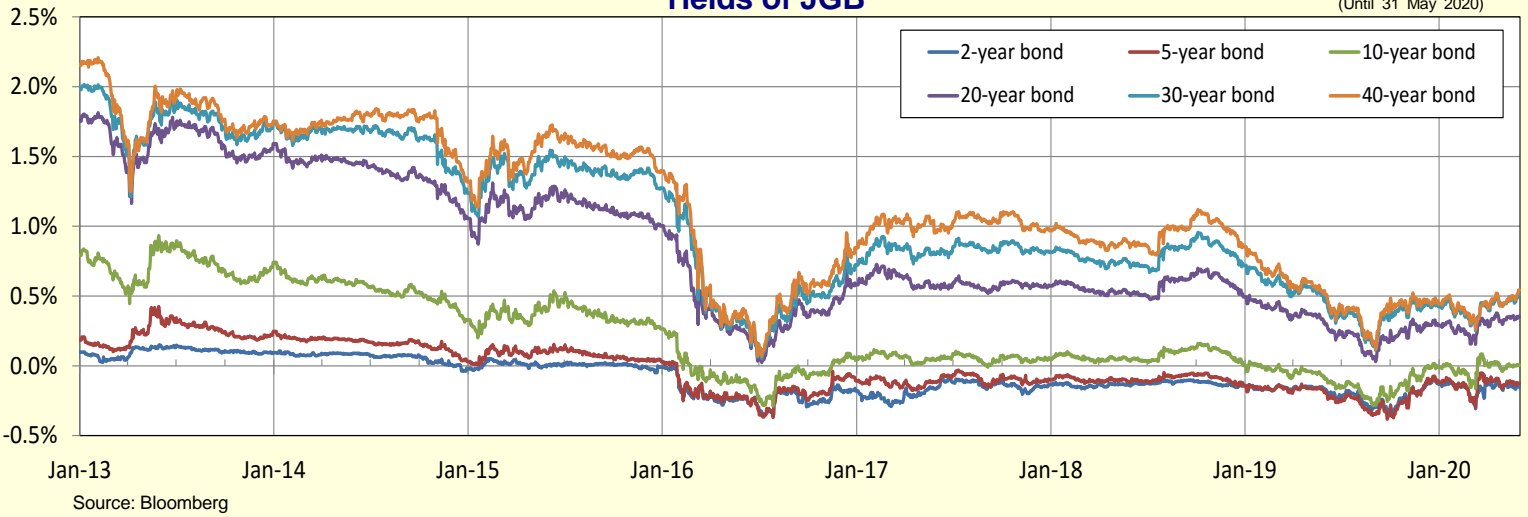
JGB Yield Curves



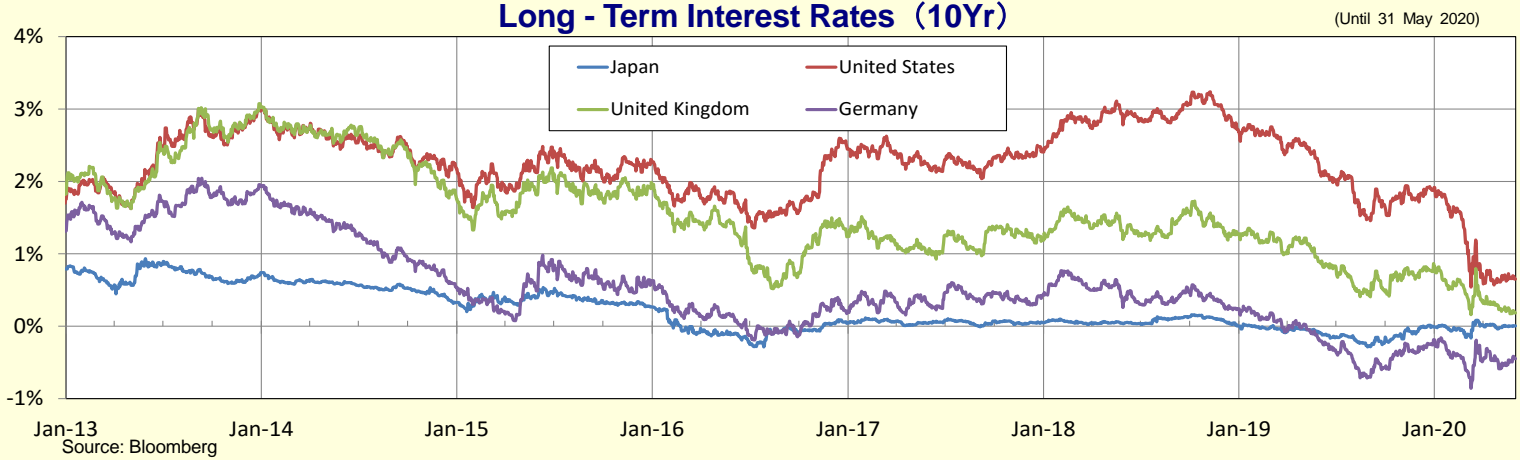
Yield and Volatility (10Yr)



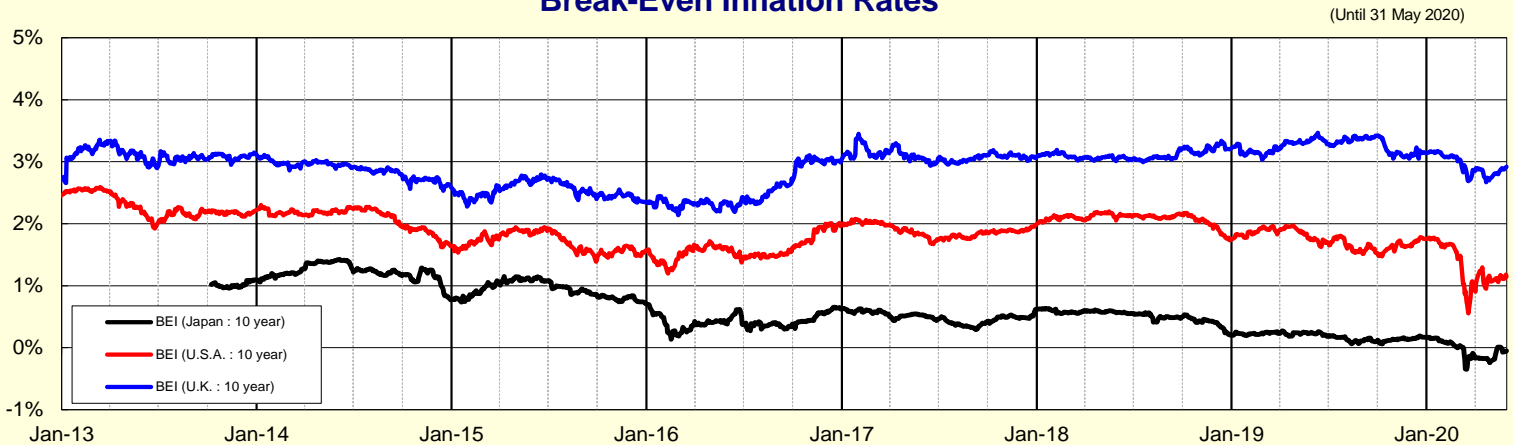
Yields of JGB



Long - Term Interest Rates (10Yr)



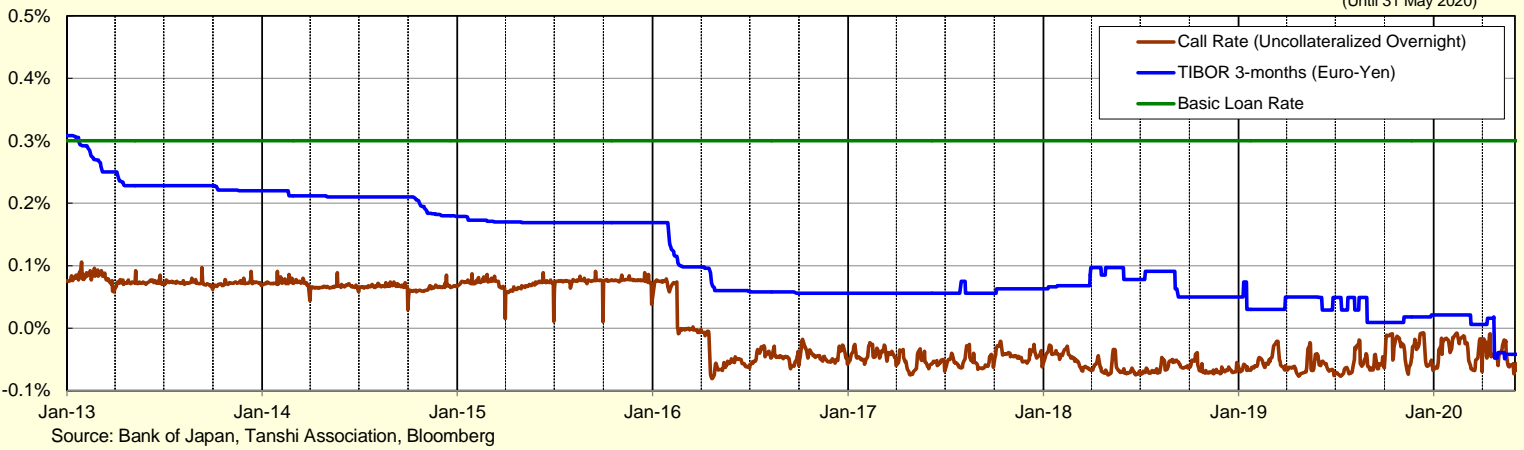
Break-Even Inflation Rates



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

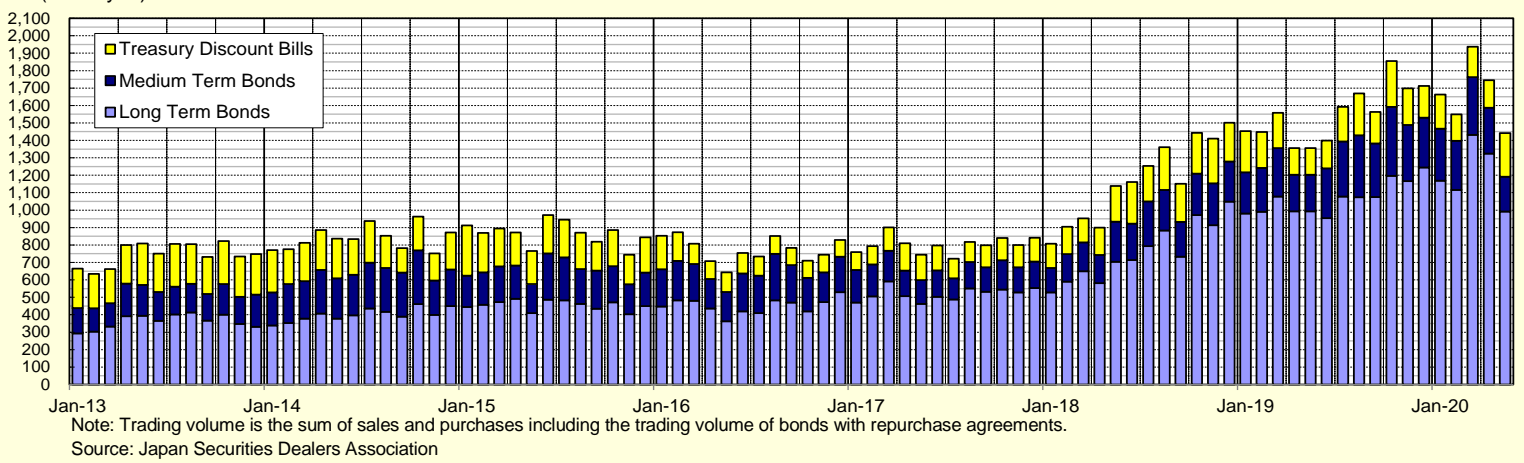
Short-Term Interest Rates

(Until 31 May 2020)



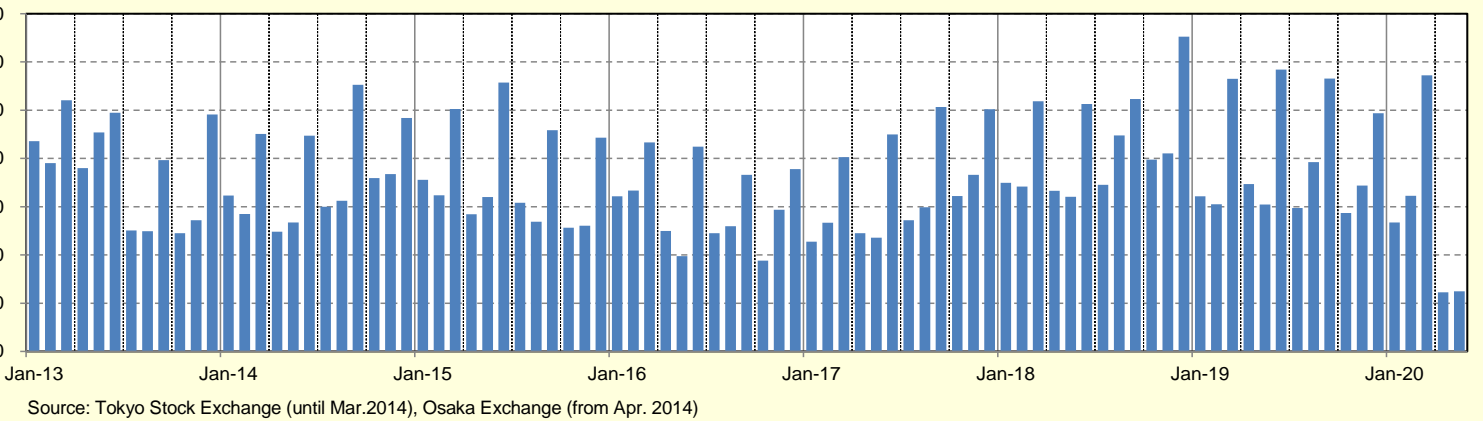
JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



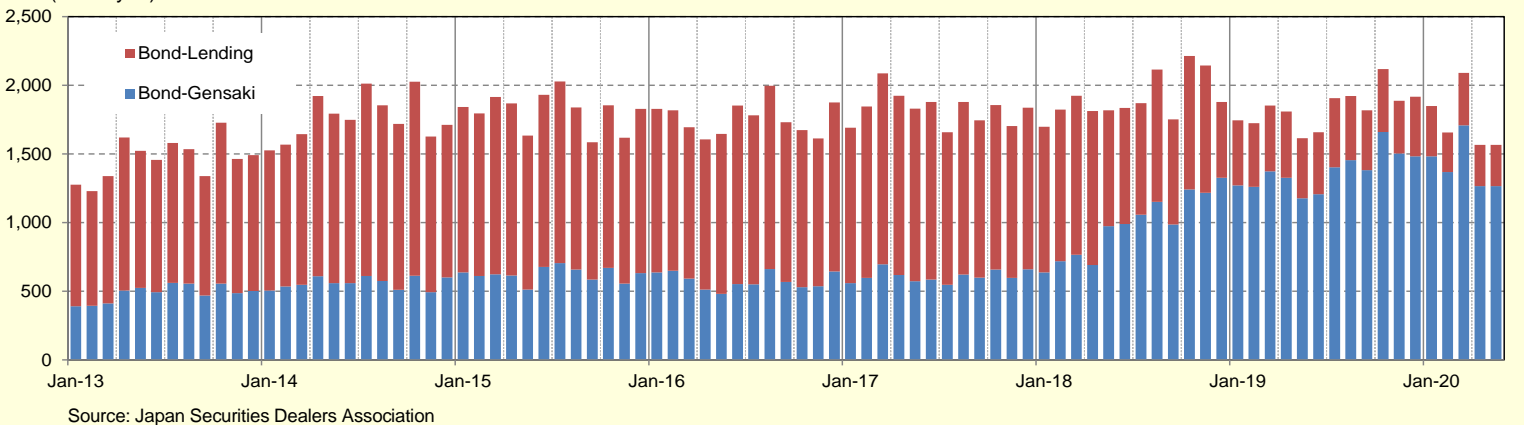
Trading Volume of 10-Year JGB Futures

(trillion yen)



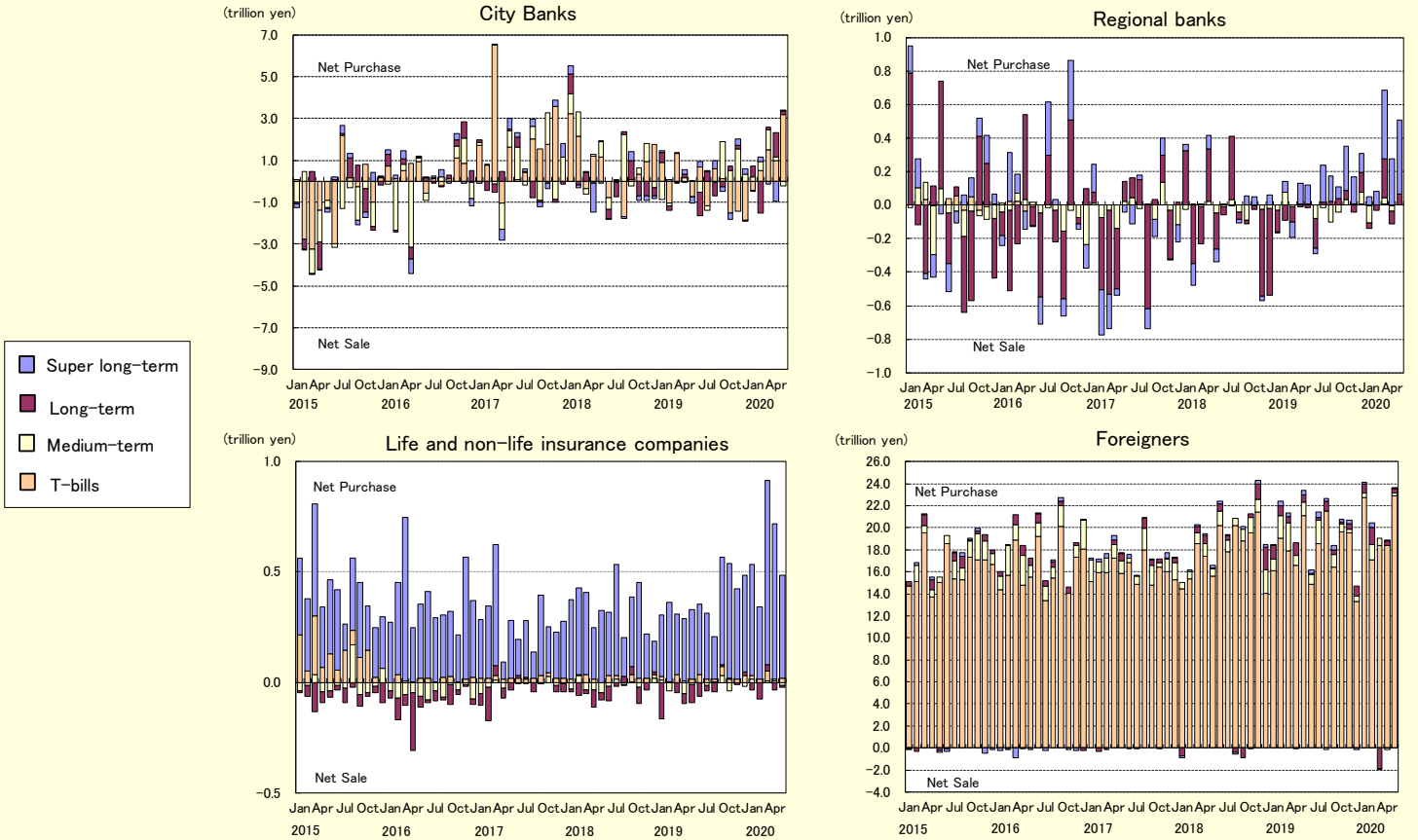
Repurchase Transactions

(trillion yen)

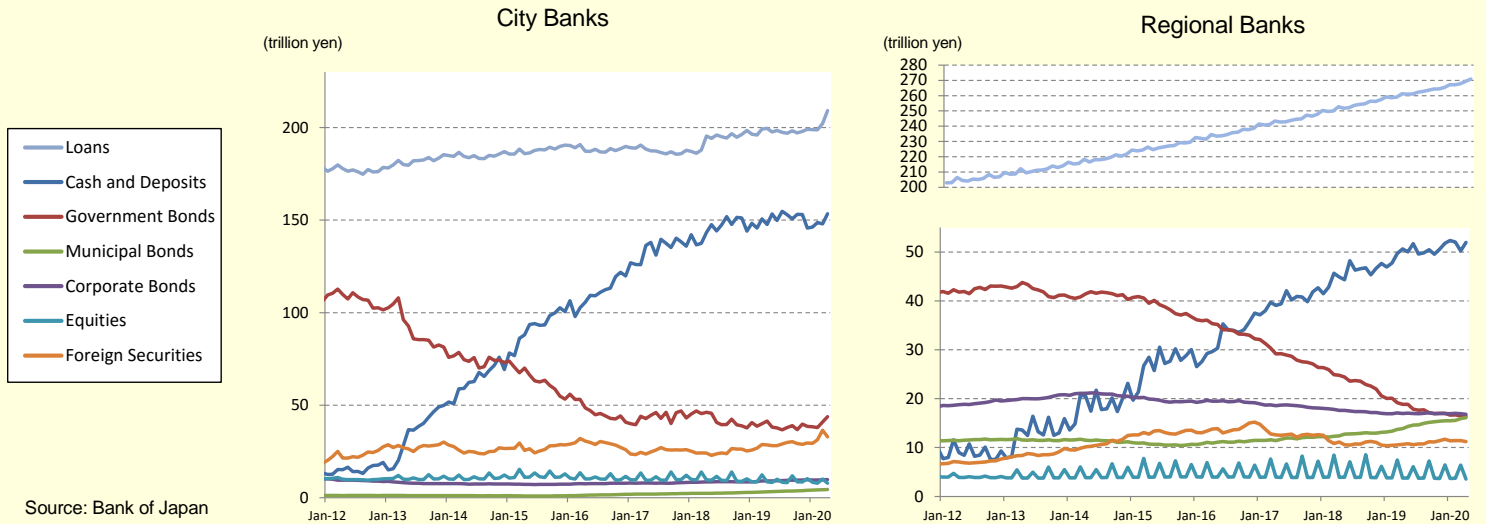


Investor Trends and JGB Outstanding

Trends in JGBs Transactions (by investor type)

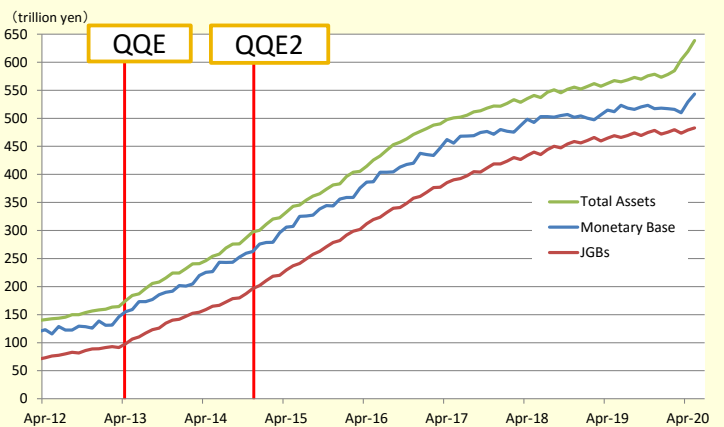


Trends in Bank Assets by Types



BOJ Trends

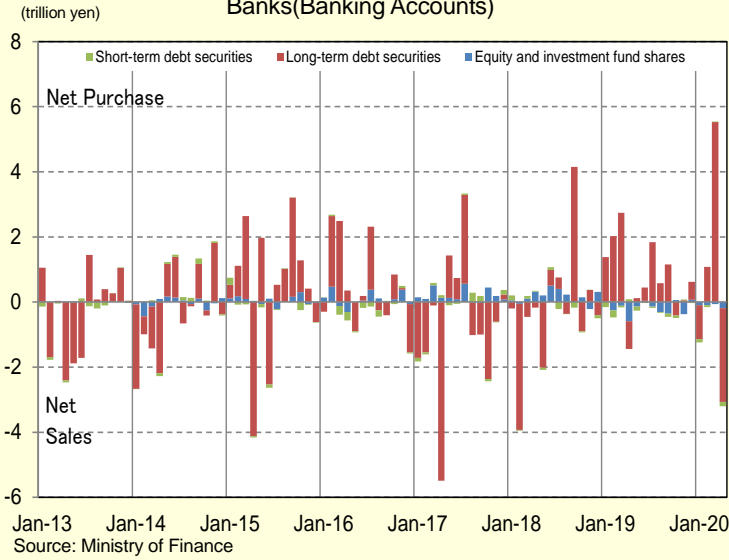
	Apr 2013 (Actual)	May 2020 (Actual)
Monetary Base	155	543
JGBs	98	483
CP	1.4	4.1
Corporate Bonds	2.9	3.8
ETFs	1.7	32.3
J-REITs	0.13	0.60
Total Assets	175	639



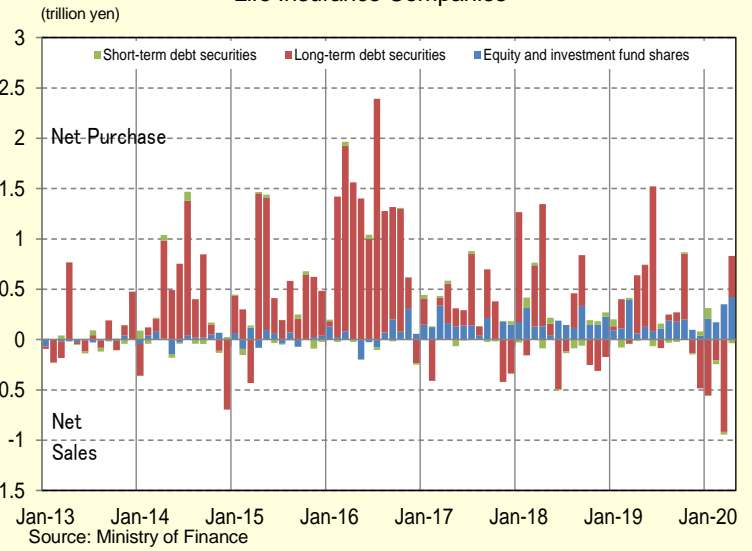
Source: Bank of Japan

Transactions of Foreign Securities by Residents (by Investor types)

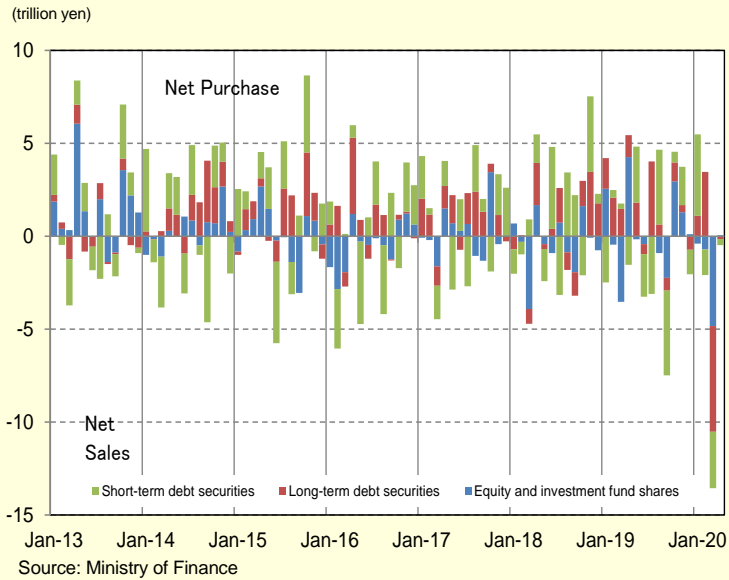
Banks(Banking Accounts)



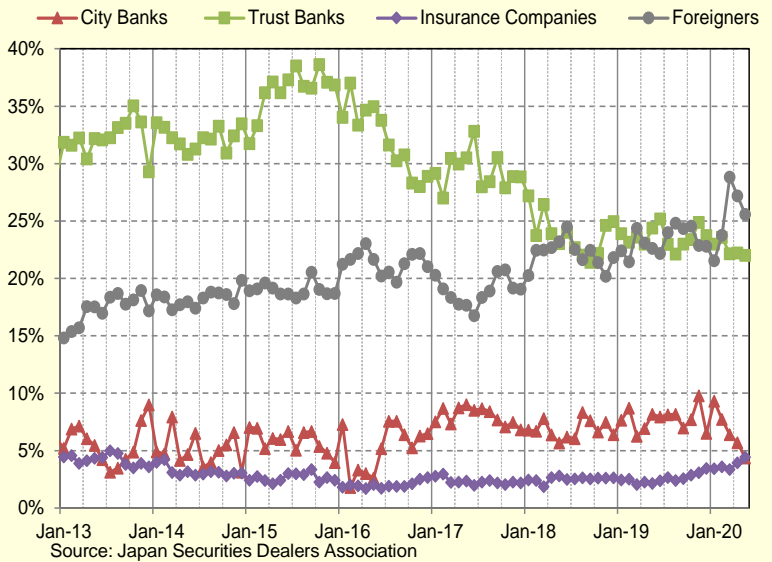
Life Insurance Companies



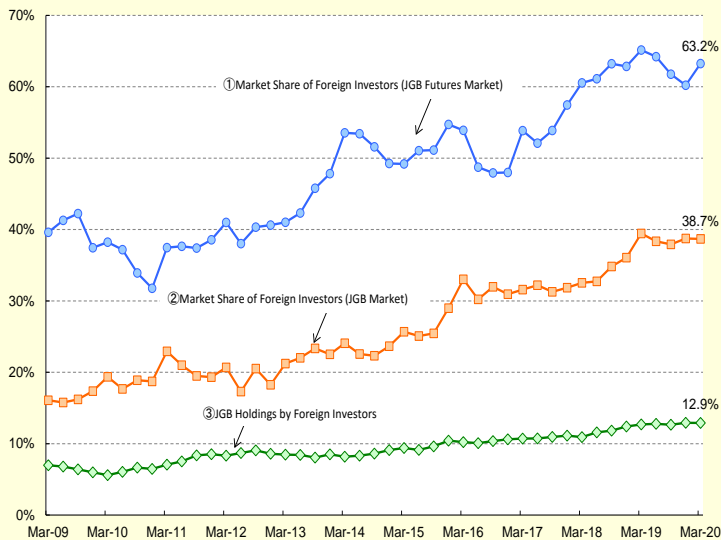
Transactions of Domestic Securities by Non-Residents



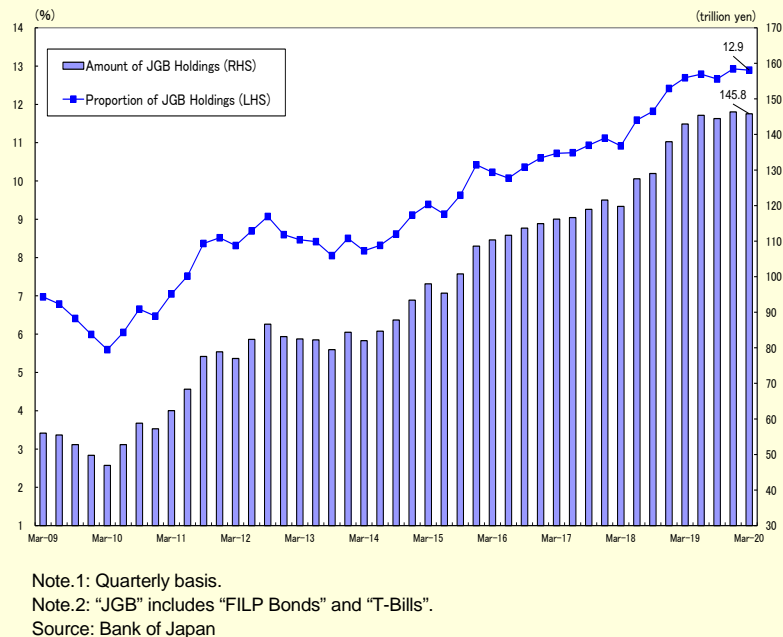
Outstanding of Repurchase Agreements (by Investor types)



Foreign Investors Presence

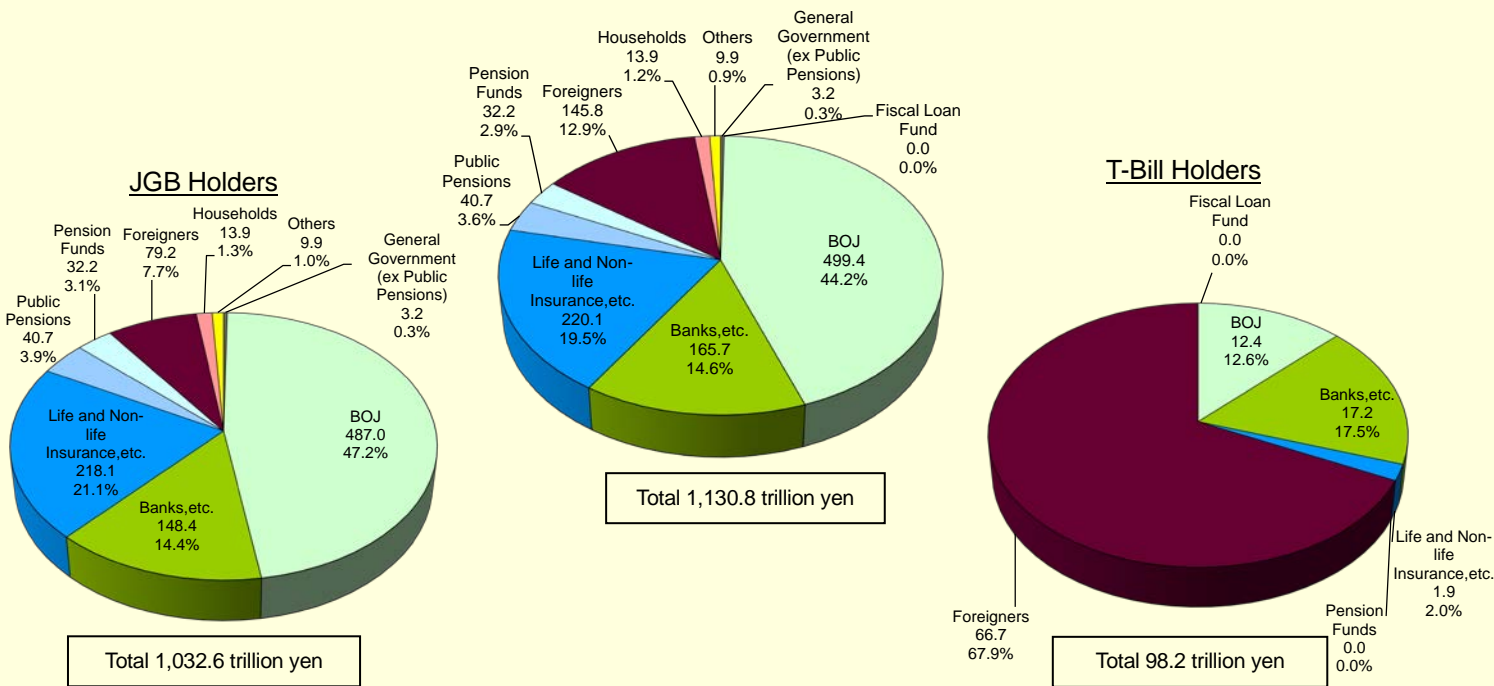


JGBs Holdings by Foreign Investors



Breakdown by JGB and T-Bill Holders (The end of Mar. 2020 QE)

JGB and T-Bill Holders (trillion yen)



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

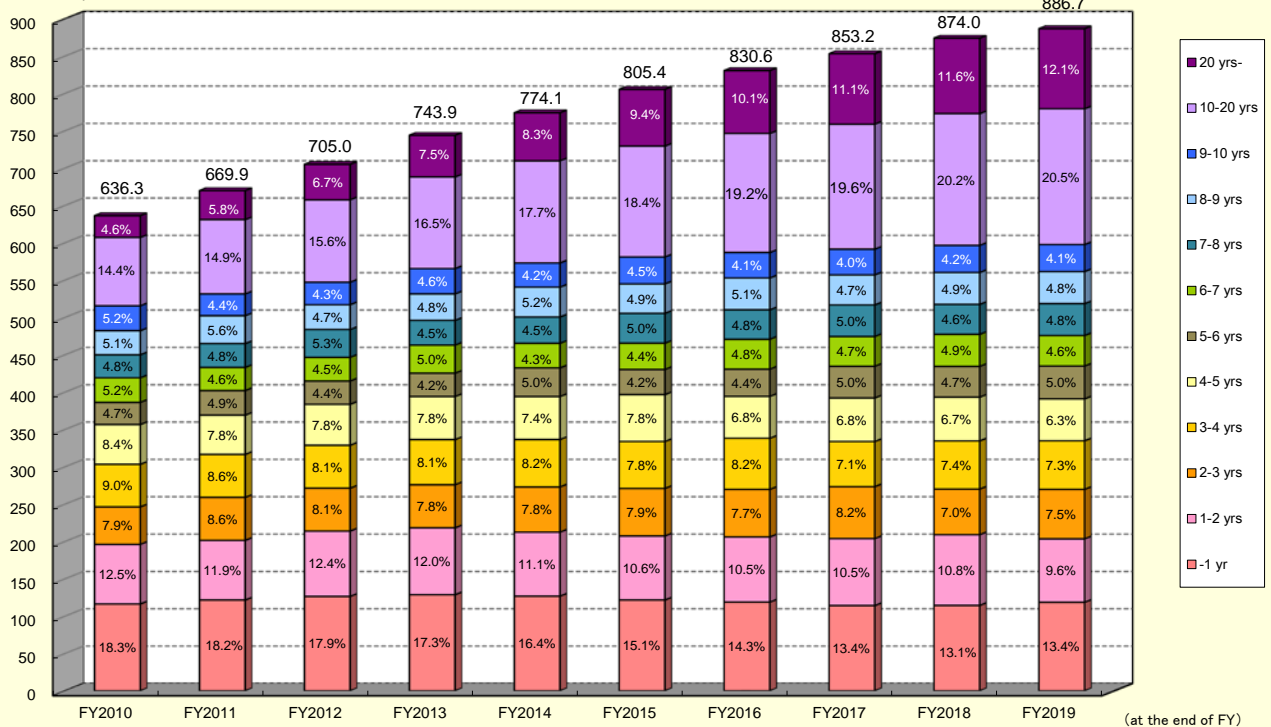
Note1: "JGB" includes "FILP Bonds."

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)

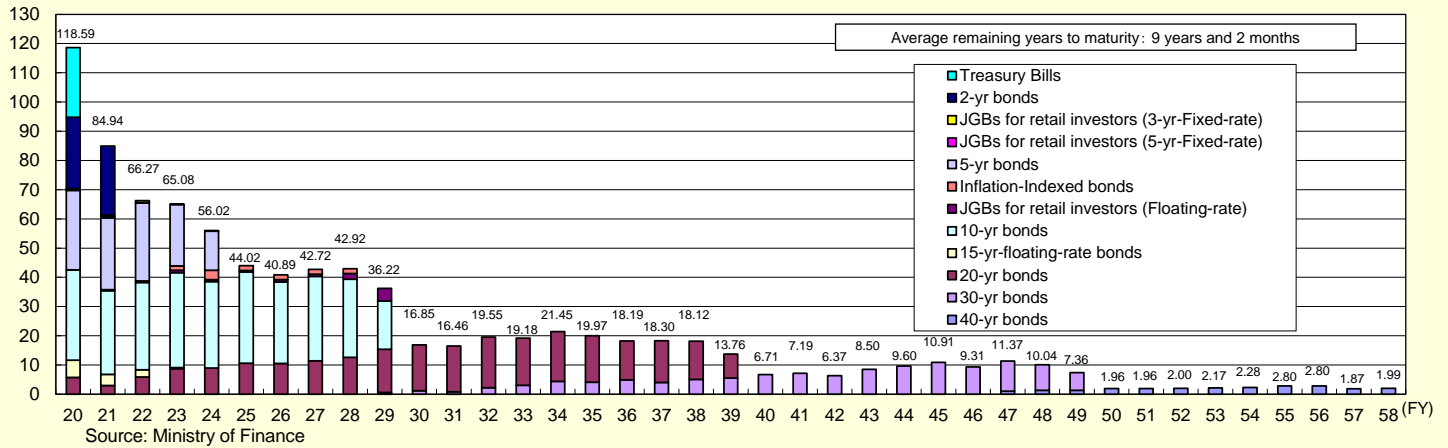


Average YTM	6Y8M	7Y0M	7Y3M	7Y7M	8Y0M	8Y5M	8Y7M	8Y10M	9Y0M	9Y2M
Average YTM* (excluding saving bonds)	6Y10M	7Y1M	7Y5M	7Y8M	8Y0M	8Y5M	8Y8M	8Y11M	9Y1M	9Y2M

*years to maturity

(trillion yen)

Time-to-Maturity Structure of Outstanding JGB (Mar. 2020)



Scheduled redemption of JGB at maturity in July, 2020

(billion yen)

Types	The amount of redemption at maturity	Scheduled redemption date
15-Year Floating-Rate Bonds	1,323.5	July 20
2-Year Bonds	2,142.8	July 1
Treasury Bills	1,800.0	July 20
Total	5,266.3	

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

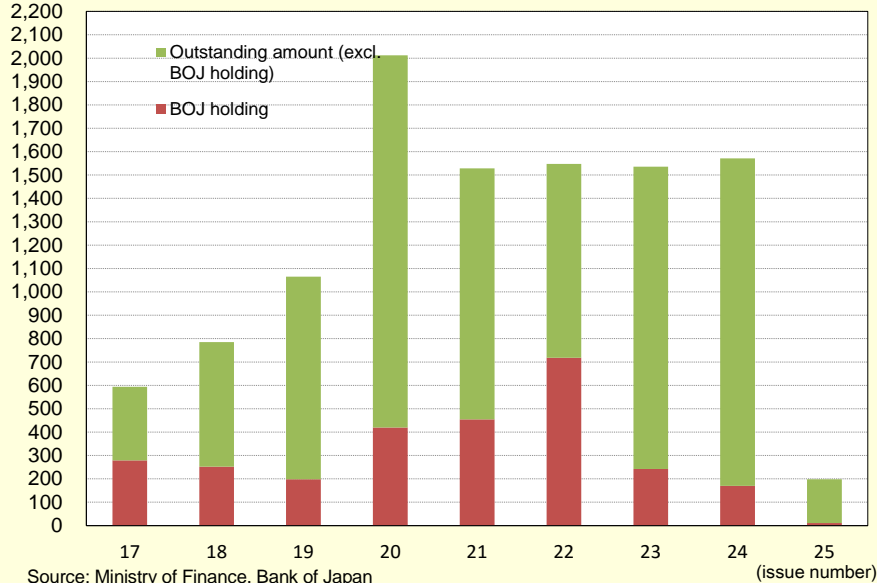
Note.3: The figures do not include "JGB for Retail Investors".

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 May, 2020)

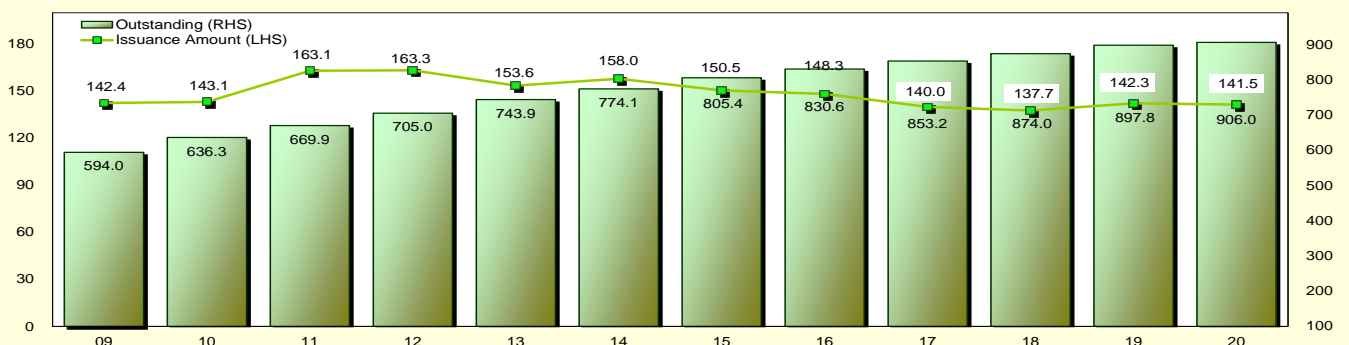
(billion yen)



(trillion yen)

General Bonds Issuance Amount and Outstanding

(trillion yen)



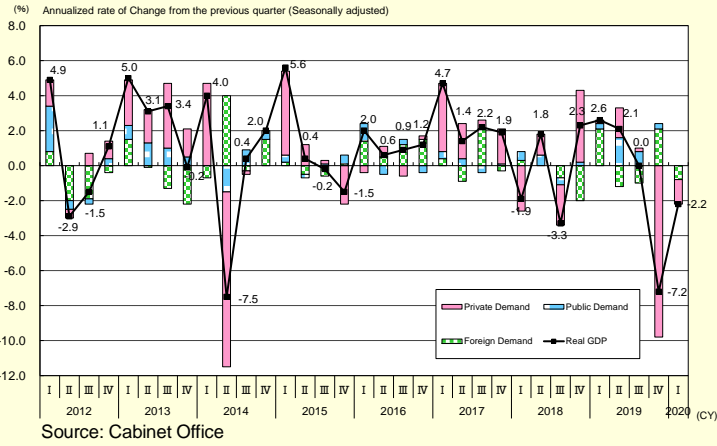
Note 1: Issuance Amount: revenue basis, FY2009-2018: Actual, FY2019: Supplementary budget, FY2020: Initial budget

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

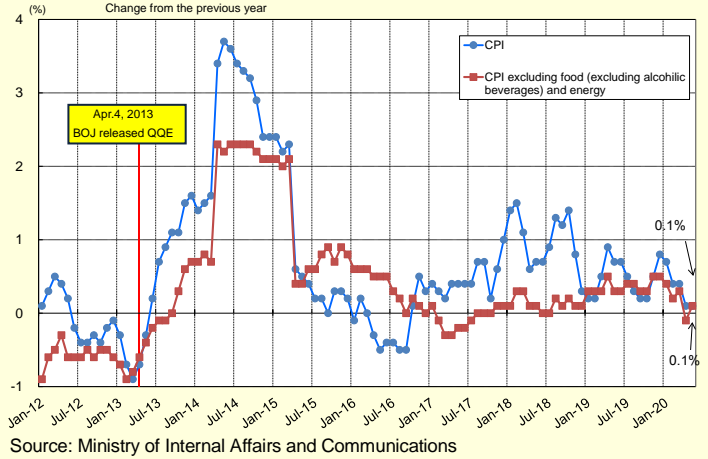
Source: Ministry of Finance

Economic and Financial Trends

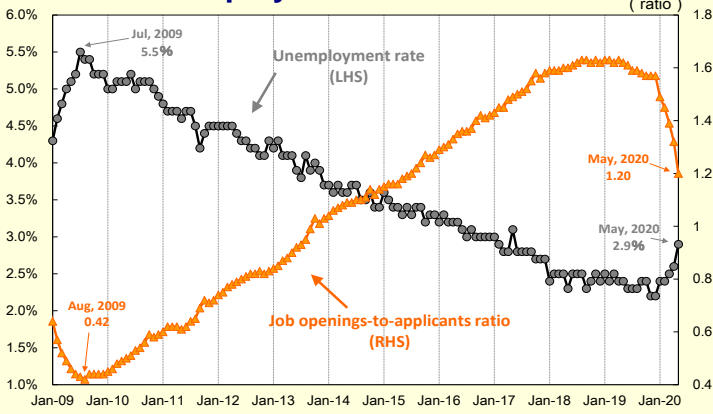
Real GDP Growth Rate



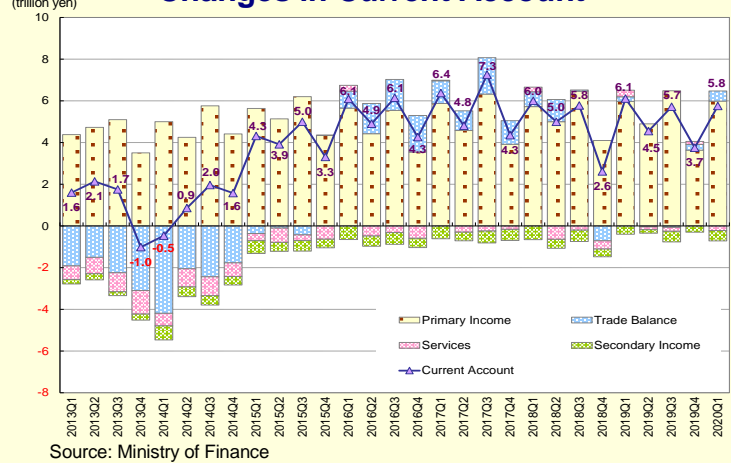
Prices



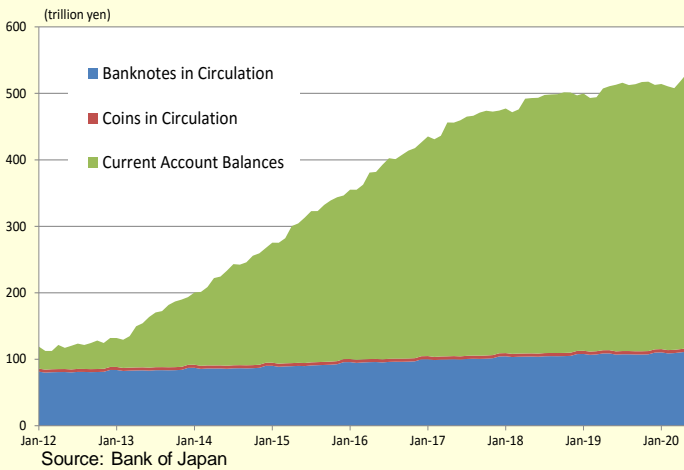
Employment Conditions



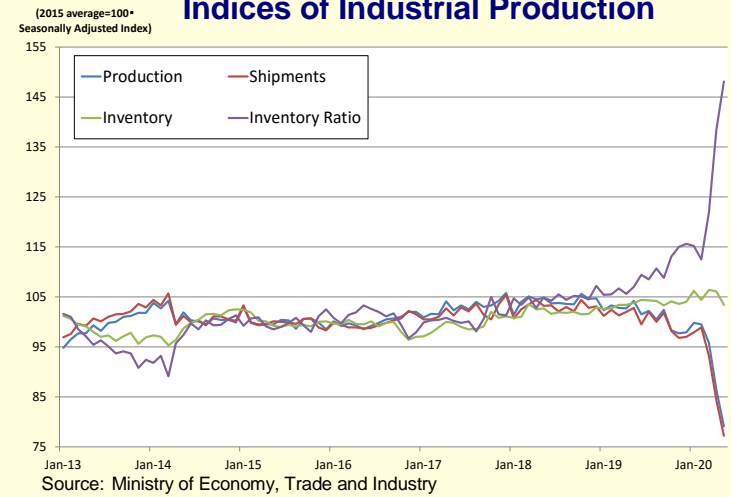
Changes in Current Account



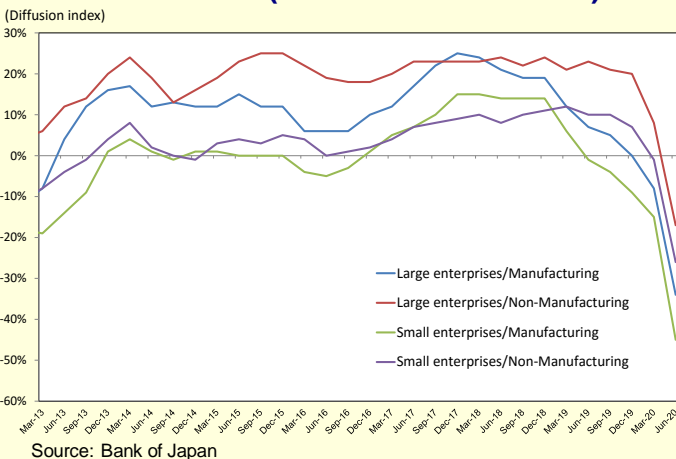
Monetary Base



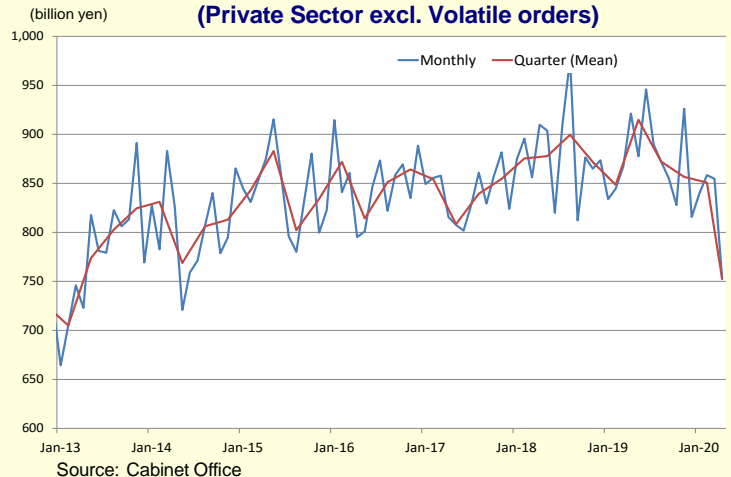
Indices of Industrial Production



TANKAN (Business Conditions)



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



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

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

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