

# JAPANESE GOVERNMENT BONDS

Monthly Newsletter of the Ministry of Finance, Japan

## This Month's Special!

**What's New** ⇒ The summary of minutes of the Meeting of JGB Market Special Participants (58<sup>th</sup> Round)

**Monthly Topic** ⇒ 1 Expansion of the Quantitative and Qualitative Monetary Easing (BOJ, Oct. 31, 2014)

2 Adoption of New Policy Asset Mix (GPIF, Oct. 31, 2014)

3 Real GDP falls for 2 consecutive quarters

## WHAT'S NEW

Nov. 21, 2014

### The summary of minutes of the Meeting of JGB Market Special Participants (58<sup>th</sup> Round)

On November 21, 2014, the MOF held the Meeting of JGB Market Special Participants (58<sup>th</sup> Round). The summary of the meeting is as follows:

#### 1. JGB Issuance Plan for FY2015

The Financial Bureau gave the following explanations about the JGB Issuance Plan for FY2015.

- With respect to the "Breakdown by Legal Grounds", we are now working on the compilation of the budget in line with the Medium-term Fiscal Plan that requires the government to "make its utmost efforts to keep the amount of Construction Bonds and Special Deficit Financing Bonds below that of the preceding fiscal year (¥41.3 trillion)." The amount of the reconstruction bond will be determined in the process of the budget compilation. The amount of the FILP Bond (fiscal investment and loan program bond) will be determined in accordance with the size of the fiscal investment and loan program for FY2015. Based on the budget request, a refunding bond of ¥120.2 trillion is expected to be issued in the FY2015 budget.
- With respect to the maturity composition of these JGBs, we will continue to extend the average JGB maturity taking into account the opinions of market participants.

The following is the summary of the opinions expressed by the attendees.

- The amounts of the 30-Year Bond and the 40-Year Bond may be increased by ¥1.6-2.0 trillion per year in total.
- The amount of Auctions for Enhanced-Liquidity may be increased by ¥100-200 billion per month.
- The 2-Year Bond and the 5-Year Bond may be decreased by ¥100-200 billion per month respectively.

Dec. 2014

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### 2. Bidding limitation and bidding responsibility

The Financial Bureau gave the following explanations about bidding limitation and bidding responsibility.

- We would like to propose that we set the maximum amount of bidding by each auction participant at one-half of the planned issuance amount from April 2015. By lowering the ceiling, we expect to restrain oligopolistic purchases by some participants to some extent.
- In addition, with a view to preventing a case in which we fail, by all means, to raise the necessary amount of funds in an auction, we would like to propose that we raise the level of bidding responsibility for JGB Market Special Participants from the current 3% to 4% of the planned issuance amount in each auction.

Many of the attendees were of the opinion that the idea proposed by the authority would present no problem, while some expressed the following opinions:

- The maximum amount of bidding could be set at one-third of the planned issuance amount so that more bidders can purchase JGBs in auctions.
- Bidding limitation can be varied depending on the type of auction.
- Multifaceted analysis that is not limited to strengthening bidding limitation is needed, such as the expansion of the Dutch-style auction.
- The authority could consider raising the level of purchasing responsibility from 1% to 2%.

The issuing authority further heard the views of participants regarding the latest JGB market situation and its future outlook, although this is omitted due to lack of space.

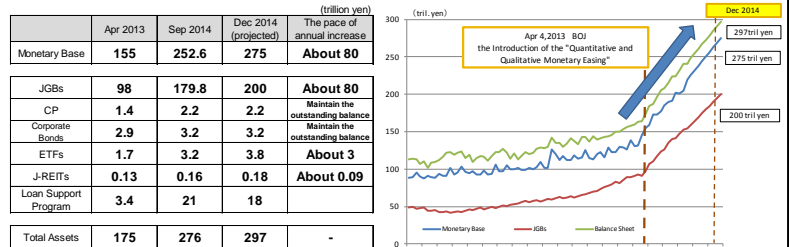
## 1 Expansion of the Quantitative and Qualitative Monetary Easing (BOJ, Oct. 31, 2014)

On October 31, 2014, at the Monetary Policy Meeting, the Policy Board of the Bank of Japan decided Expansion of the Quantitative and Qualitative Monetary Easing.

Annual pace of increase			(trillion yen)
	QQE (Apr.4 2013)	Expansion of QQE (Oct.31 2014)	
Monetary base	About 60-70	About 80	
Long-term Bonds	About 50	About 80	
	(Amount to be purchased per month)	About 6-8	About 8-12
	(Average maturity of JGB purchases)	About 7 years	About 7-10 years
ETF	About 1	About 3	
J-REIT	About 0.03	About 0.09	
JPX-Nikkei Index400 (ETF)	-	Eligible for purchase	

(Source) Bank of Japan

- Price stability target : "2%"
- Time horizon : about "2 years" (at the earliest possible time)
- Monetary base : "2 times" in 2 years
- The amounts outstanding of JGBs and the average remaining maturity : "more than 2 times" in 2 years



Average remaining maturity of the Bank's JGB purchases slightly less than 3 years (before Apr. 2013) → Around 7-10 years (+3year at maximum)

(Source) Bank of Japan (Revised on Oct.31 2014)

## 2 Adoption of New Policy Asset Mix (GPIF, Oct. 31, 2014)

Government Pension Investment Fund ("GPIF") has reviewed its policy asset mix for the third medium-term plan, which starts from April 2015. In June 2014, Ministry of Health, Labour and Welfare ("MHLW") published financial stability report ("Actuarial Valuation") on public pension scheme, including several scenarios of targeted return for GPIF. Given that Japan is about to significantly transform itself from economy of persistent deflation, GPIF accelerated review process of its policy asset mix, which should be more compatible with the changes of long-term economic prospect, and has adopted its new policy asset mix.

[Excerpt from GPIF's announcement on Oct. 31, 2014]

(Old)

	Domestic bonds	Domestic stocks	International bonds	International stocks	Short-term assets
Target allocation	60%	12%	11%	12%	5%
Permissible range of deviation	±8%	±6%	±5%	±5%	-

(New) from April 2015

	Domestic bonds	Domestic stocks	International bonds	International stocks
Target allocation	35%	25%	15%	25%
Permissible range of deviation	±10%	±9%	±4%	±8%

(Note 1) Alternative investment will be made within maximum 5% of total portfolio, in accordance with development of dedicated team. Infrastructure, private equities, real estates or other assets determined upon deliberation at the Investment Advisory Committee, are classified as domestic bonds, domestic stocks, international bonds or international stocks, depending on their risk and return profiles.

(Note 2) GPIF adopts tactical asset allocation within permissible ranges of deviation for each asset class, and this allocation is solely based upon thorough analysis on economic and market environment, and prudent judgment.

Source: GPIF

## 3 Real GDP falls for 2 consecutive quarters

First preliminary GDP estimates (Jul-Sep 2014) were released on Nov 17. Real GDP fell -0.4% (annual rate -1.6%) from the previous quarter. This was worse than the survey of market expectation of +0.5% (annual rate +2.2%) and a fall for 2 consecutive quarters.

### Change in Private Inventory makes a large negative contribution

Domestic Demand contributed -0.5% to GDP. In particular, Change in Private Inventory made a large negative contribution of -0.6%; it was positive in the previous quarter.

Private Consumption rose +0.4% from the previous quarter and contributed +0.2% to GDP. This is a recovery from the large decline in the previous quarter. Clothes, gasoline and daily commodities seemed to make a positive contribution.

Private Residential Investment fell -6.7% and contributed -0.2% to GDP. This reflects the decline of New Construction Starts.

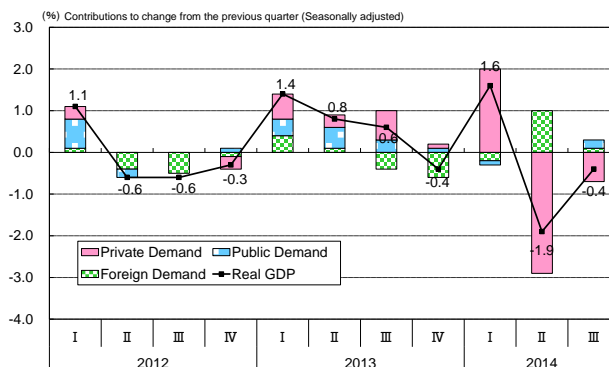
As opposed to Domestic Demand, Foreign Demand contributed +0.1% to GDP, and it was a positive contribution for 2 consecutive quarters.

# MONTHLY TOPIC

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

(%)	Note1					Note2	
	7-9	10-12	1-3	4-6	7-9	2014	2014
Gross Domestic Product	0.6	-0.4	1.6	-1.9	-0.4	***	-1.6
Domestic Demand	1.0	0.2	1.8	-2.8	-0.5	***	-1.9
Private Demand	(1.0)	(0.2)	(1.8)	(-2.9)	***	(-0.5)	***
Private Consumption	0.9	0.1	2.5	-3.7	-0.9	(-0.7)	-3.4
Consumption of Households	0.3	-0.0	2.2	-5.0	0.4	(0.2)	1.5
Excluding imputed Rent	0.3	-0.0	2.2	-5.2	0.3	(0.2)	1.4
Private Residential Investment	0.3	-0.1	2.6	-6.2	0.4	(0.2)	1.5
Private Non-Resi. Investment	4.3	2.2	2.3	-10.0	-6.7	(-0.2)	-24.1
Change in Private Inventory	0.7	0.8	7.5	-4.8	-0.2	(-0.0)	-0.9
Public Demand	(0.3)	(-0.1)	(-0.5)	(1.2)	***	(-0.6)	***
Government Consumption	1.1	0.5	-0.6	0.1	0.7	(0.2)	2.8
Government Investment	0.1	0.2	-0.2	-0.0	0.3	(0.1)	1.3
Change in Public Inventory	5.7	1.7	-2.0	0.3	2.2	(0.1)	8.9
Net Exports of Goods & Services	(-0.0)	(0.0)	(0.0)	(0.0)	***	(-0.0)	***
	(-0.4)	(-0.6)	(-0.2)	(1.0)	***	(0.1)	***

Note1: Change from the previous quarter (seasonally adjusted)  
 Note2: Annual rate  
 Note3: The Figures in ( ) indicate contributions to Changes in GDP.  
 Source: Cabinet Office, Government of Japan



Source: Cabinet Office, Government of Japan

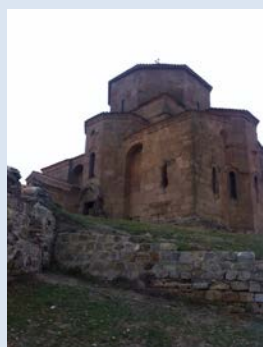
## IR SPECIAL OFFICE

➤ In November 2014, the IR Special Office undertook an overseas IR tour in Norway, the Netherlands, France and Switzerland to interview local investors. **Mr. Fujishiro**, Deputy Director-General of the Financial Bureau, and **Mr. Ishida**, Deputy Director, held active discussions mainly about recent debt management and Japanese economic matters, e.g., revision of GPIF's policy asset mix and expansion of Quantitative and Qualitative Easing.

➤ During the tour, they participated in the OECD Working Party on Debt Management in which sovereign bond issuers discussed technical matters such as cash management and the effect of financial regulations. This Working Party offered many suggestions for us issuers. Looking at the picture on the right, you can see how many countries participated in this working party. (Just to be safe, I should emphasize that Japan was not isolated in this working party; many countries were aligned in a circle in the enormous room.).



➤ After that, in Georgia, **Mr. Kanamori**, Director of the IR office, and **Mr. Matsumoto**, Chief took part in the Fourth Regional Forum on Investment Management of Foreign Exchange Reserves in which foreign reserve managers from ADB countries and regions discussed the global and regional economic outlook, the way to manage large portfolios in an environment of low interest rates, etc. We explained JGB-related matters to foreign reserve managers at the forum. Looking at the picture on the left, you can understand that, in Georgia, there is deep cultural relationship with European culture. Moreover, through sharing time and space with them, I also found that underneath the surface we have the same Asian cultural roots.



➤ Last but not least, in Japan, **Mr. Fujishiro** attended a seminar for foreign investors and explained Japanese economic and JGB matters. The picture of this seminar is posted on the right.

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



## 2 JGB PRIMARY MARKET

### Auction Results (Bonds)

(Until 26 November 2014)

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)
8/28/2014	2-year	344	9/15/2016	0.1%	14,514.0	2,469.5	0.069%	0.067%	3.195	226.8	-
9/2/2014	10-year	335	9/20/2024	0.5%	7,882.4	2,199.9	0.521%	0.517%	7.584	191.7	-
9/9/2014	30-year	44	9/20/2044	1.7%	2,291.2	642.3	1.687%	1.679%	-	57.1	-
9/11/2014	5-year	120	9/20/2019	0.2%	9,066.7	2,455.1	0.179%	0.179%	2.375	241.7	-
9/17/2014	20-year	150	9/20/2034	1.4%	4,250.6	1,092.2	1.438%	1.435%	-	106.6	176.8
9/30/2014	2-year	345	10/15/2016	0.1%	16,074.7	2,496.5	0.077%	0.074%	2.467	200.7	-
10/2/2014	10-year	335	9/20/2024	0.5%	7,640.2	2,196.7	0.517%	0.516%	3.342	199.0	-
10/8/2014	10-year Inflation-Indexed Bonds	19	9/10/2024	0.1%	1,056.2	499.9	▲0.658%	-	-	-	32.8
10/15/2014	30-year	44	9/20/2044	1.7%	1,653.8	639.7	1.637%	1.633%	-	59.1	95.8
10/17/2014	5-year	121	9/20/2019	0.1%	11,135.2	2,455.3	0.138%	0.134%	1.438	242.0	299.2
10/21/2014	20-year	150	9/20/2034	1.4%	3,911.9	1,089.9	1.323%	1.318%	-	108.9	79.1
10/28/2014	2-year	346	11/15/2016	0.1%	11,870.7	2,473.8	0.017%	0.012%	0.370	225.3	-
11/5/2014	10-year	335	9/20/2024	0.5%	7,741.5	2,212.0	0.441%	0.439%	3.625	183.8	-
11/11/2014	30-year	44	9/20/2044	1.7%	1,673.6	553.4	1.489%	1.483%	-	46.1	-
11/13/2014	5-year	120	9/20/2019	0.2%	9,221.9	2,489.9	0.164%	0.160%	0.380	209.2	281.6
11/18/2014	20-year	150	9/20/2034	1.4%	3,158.3	1,097.6	1.301%	1.276%	-	101.9	-
11/26/2014	40-year	7	3/20/2054	1.7%	1,268.9	399.6	1.585%	-	-	-	59.0

### Auction Results (Treasury Discount Bills)

(Until 26 November 2014)

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)
8/21/2014	3-month	475	11/25/2014	27,661.70	5,262.90	0.0317%	0.0289%	477.03
8/28/2014	3-month	476	12/1/2014	27,746.30	5,221.74	0.0381%	0.0344%	478.20
9/3/2014	3-month	477	12/8/2014	30,557.70	5,254.50	0.0220%	0.0204%	485.45
9/8/2014	6-month	478	3/10/2015	16,453.60	3,242.92	0.0201%	0.0121%	257.00
9/11/2014	3-month	479	12/15/2014	28,028.45	5,185.24	0.0060%	0.0028%	474.70
9/17/2014	1-year	480	9/24/2015	12,271.80	2,318.88	0.0059%	0.0019%	181.10
9/18/2014	3-month	481	12/22/2014	28,472.20	5,229.04	0.0040%	0.0016%	470.90
9/25/2014	3-month	482	1/8/2015	26,074.79	5,312.93	0.0090%	0.0025%	417.00
10/2/2014	3-month	483	1/13/2015	27,960.30	5,264.76	0.0202%	0.0165%	405.20
10/8/2014	6-month	484	4/10/2015	24,272.60	3,230.73	0.0040%	0.0020%	269.20
10/9/2014	3-month	485	1/19/2015	29,799.70	5,193.19	0.0056%	0.0030%	456.70
10/10/2014	Approx.2-month	486	12/3/2014	13,920.92	2,318.75	0.0111%	0.0081%	181.20
10/15/2014	1-year	487	10/20/2015	15,316.60	2,323.78	0.0020%	0.0010%	176.20
10/16/2014	3-month	488	1/26/2015	32,843.00	5,269.44	0.0018%	0.0014%	470.50
10/23/2014	3-month	489	2/2/2015	52,105.20	5,257.68	0.0000%	▲0.0037%	452.20
10/30/2014	3-month	490	2/9/2015	47,675.00	5,314.21	▲0.0018%	▲0.0041%	425.70
11/5/2014	6-month	491	5/14/2015	20,670.00	3,239.65	0.0177%	0.0118%	260.30
11/6/2014	3-month	492	2/16/2015	27,422.90	5,294.70	0.0204%	0.0163%	415.20
11/13/2014	3-month	493	2/23/2015	28,660.27	5,258.23	0.0111%	0.0070%	461.70
11/18/2014	1-year	494	11/20/2015	18,549.20	2,312.37	▲0.0009%	▲0.0029%	187.60
11/20/2014	3-month	495	3/2/2015	46,210.60	5,271.86	▲0.0037%	▲0.0142%	458.10

### Auction Calendar for Nov. 2014 – Jan. 2015

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
11/5 (Wed)	T-Bills (6-month)	11/27 (Thu)	T-Bills (3-month)	12/18 (Thu)	T-Bills (3-month)	1/20 (Tue)	5-year
11/5 (Wed)	10-year	11/28 (Fri)	2-year	12/18 (Thu)	20-year	1/22 (Thu)	T-Bills (3-month)
11/6 (Thu)	T-Bills (3-month)	12/2 (Tue)	10-year	12/25 (Thu)	2-year	1/22 (Thu)	20-year
11/7 (Fri)	Auctions for Enhanced-liquidity	12/4 (Thu)	T-Bills (3-month)	1/6 (Tue)	T-Bills (3-month)	1/27 (Tue)	Auctions for Enhanced-liquidity
11/11 (Tue)	30-year	12/4 (Thu)	Auctions for Enhanced-liquidity	1/6 (Tue)	10-year	1/29 (Thu)	T-Bills (3-month)
11/13 (Thu)	T-Bills (3-month)	12/8 (Mon)	T-Bills (6-month)	1/8 (Thu)	T-Bills (3-month)	1/29 (Thu)	2-year
11/13 (Thu)	5-year	12/9 (Tue)	30-year	1/8 (Thu)	10-year Inflation-Indexed Bonds		
11/18 (Tue)	T-Bills (1-year)	12/10 (Wed)	T-Bills (Approx.2-month)	1/9 (Fri)	T-Bills (6-month)		
11/18 (Tue)	20-year	12/11 (Thu)	T-Bills (3-month)	1/14 (Wed)	30-year		
11/20 (Thu)	T-Bills (3-month)	12/11 (Thu)	Auctions for Enhanced-liquidity	1/15 (Thu)	T-Bills (3-month)		
11/20 (Thu)	Auctions for Enhanced-liquidity	12/16 (Tue)	5-year	1/16 (Fri)	T-Bills (1-year)		
11/26 (Wed)	40-year	12/17 (Wed)	T-Bills (1-year)	1/16 (Fri)	Auctions for Enhanced-liquidity		

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.

Note.3: The issue date of Treasury Discount Bills auctioned on December 10, 2014 is December 15, 2014 and, the maturity date is February 4, 2015.

### Top 10 PDs by Total Purchase in Auctions (Calculated by Duration) (Apr.2014 ~ Sep. 2014)

1	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6	BNP Paribas Securities (Japan) Limited
2	Daiwa Securities Co. Ltd.	7	Merrill Lynch Japan Securities Co., Ltd.
3	Nomura Securities Co., Ltd.	8	SMBC Nikko Securities Inc.
4	Mizuho Securities Co., Ltd.	9	Mizuho Bank, Ltd.
5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10	Goldman Sachs Japan Co., Ltd.



### 3 THE AUCTIONS FOR ENHANCED-LIQUIDITY AND JGB BUY-BACK

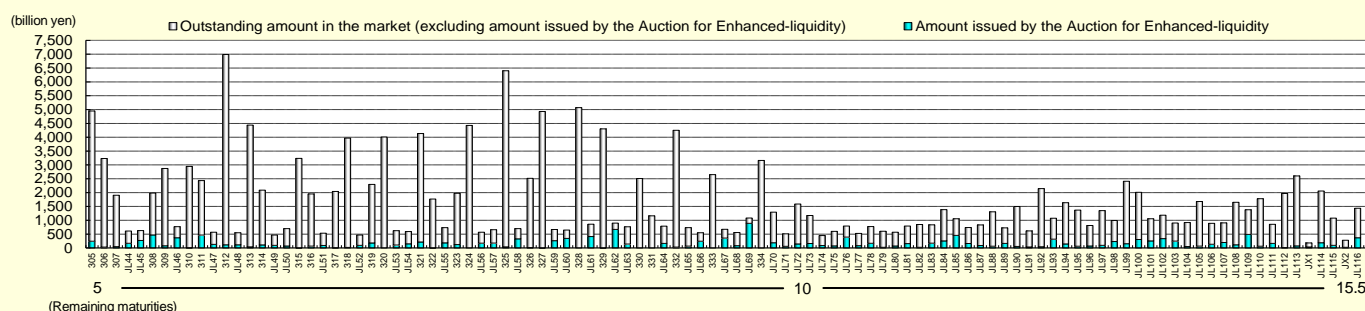
#### Results of Auctions for Enhanced-Liquidity

(Until 26 November 2014)

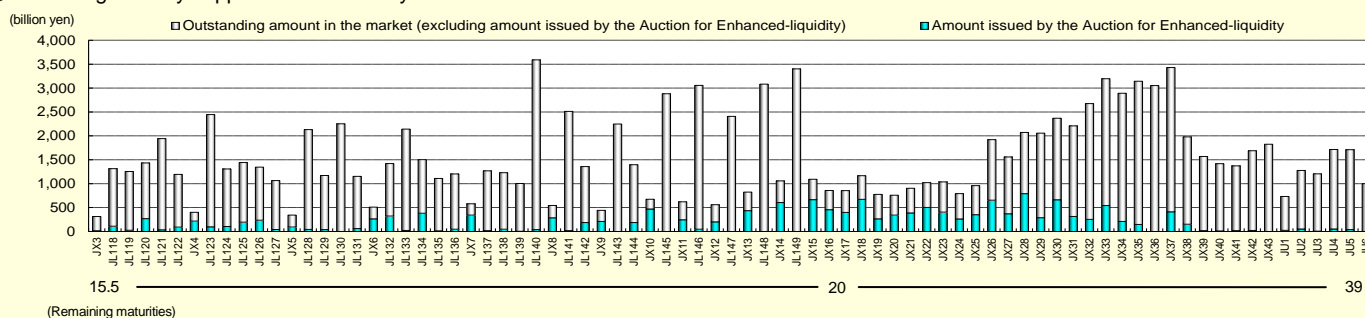
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
9/5/2014	1,170.8	299.6	+0.003%	+0.004%	20-year(125,126,132,141) 30-year(16,17,32,33,35,37,41)
9/25/2014	1,232.0	399.3	▲0.007%	▲0.003%	10-year(303,304,305,310,317) 20-year(43,58,68,69,72,74,76,78,81,84,85,86,88,91,111)
10/10/2014	735.0	299.0	+0.001%	+0.004%	20-year(131,132,135) 30-year(16,21,24,25,26,27,28,30,32,34,35,37,39,41,42,43)
10/23/2014	1,512.2	399.5	▲0.010%	▲0.010%	10-year(306,308,310) 20-year(44,68)
11/7/2014	949.9	299.4	+0.009%	+0.011%	20-year(118,120,122,141,145,147) 30-year(10,15,17,24,35,37,38,41)
11/20/2014	1,999.0	399.9	▲0.015%	▲0.011%	10-year(305,306,307)

#### Target Zones of the Auction for Enhanced-Liquidity for the Third Quarter of FY 2014

① Remaining maturity : approx.5 - ~15.5 - year



② Remaining maturity : approx.15.5 - ~39 - year



Note1 : JL shows 20 - year JGBs. JX shows 30 - year JGBs. JU shows 40 - year JGBs. Outstanding amount is as of the end of September 2014.

Note2 : Based on the results of the consultations to the JGB Market Special Participants which takes place at the time of each auction,60 issues from each of the above 2 groups are selected as targeted issues.

#### Buy-back Results

##### 10-Year Inflation-Indexed

(Until 26 November 2014)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
9/10/2014	32.5	10.1	▲0.374	▲0.29	4,5,7,8,10,11,13,14
10/8/2014	37.5	30.1	▲0.488	▲0.30	3,4,5,6,7,8,9,10,11,12,13,14,15,16
10/8/2014	25.8	25.8	▲0.488	-	
11/6/2014	13.1	10.1	▲0.191	0.00	5,6,7,9,10,14,15,16

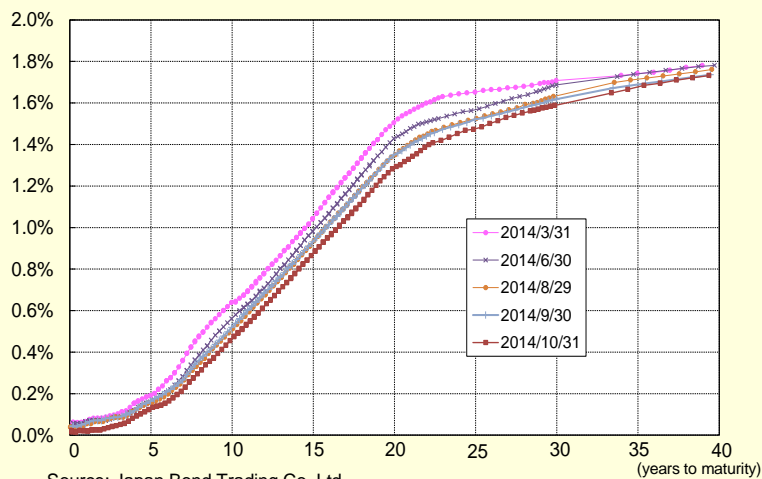
##### 15-Year Floating-Rate

(Until 31 October 2014)

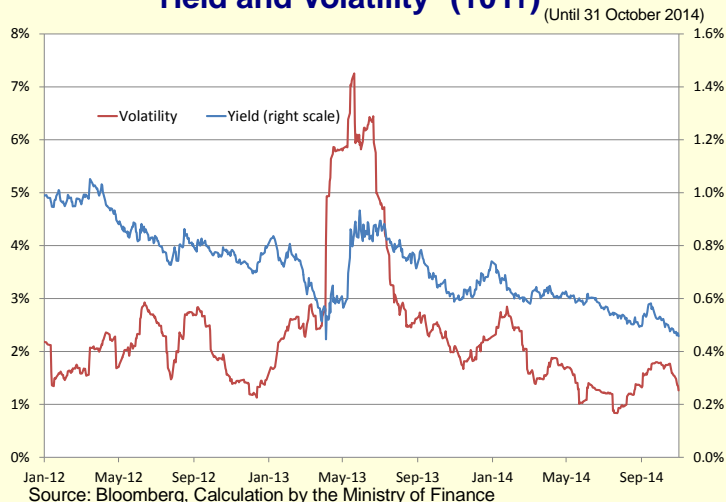
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
8/6/2014	520.9	120.1	▲0.185	▲0.13	8,9,13,14,16,17,18,22,23,24,25,26,27,28,29,30,31,32,33,34,36,37,38,39,41,44,45,46
9/2/2014	503.3	120.0	▲0.120	▲0.04	8,9,11,12,13,14,16,17,18,19,20,22,23,24,25,26,27,28,29,30,31,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48
9/26/2014	421.2	120.1	▲0.358	▲0.01	
10/6/2014	405.0	110.1	▲0.101	0.00	9,10,11,12,13,14,16,17,18,19,22,24,25,26,27,28,29,34,37,39,41,42,44,47

## 4 JGB SECONDARY MARKET

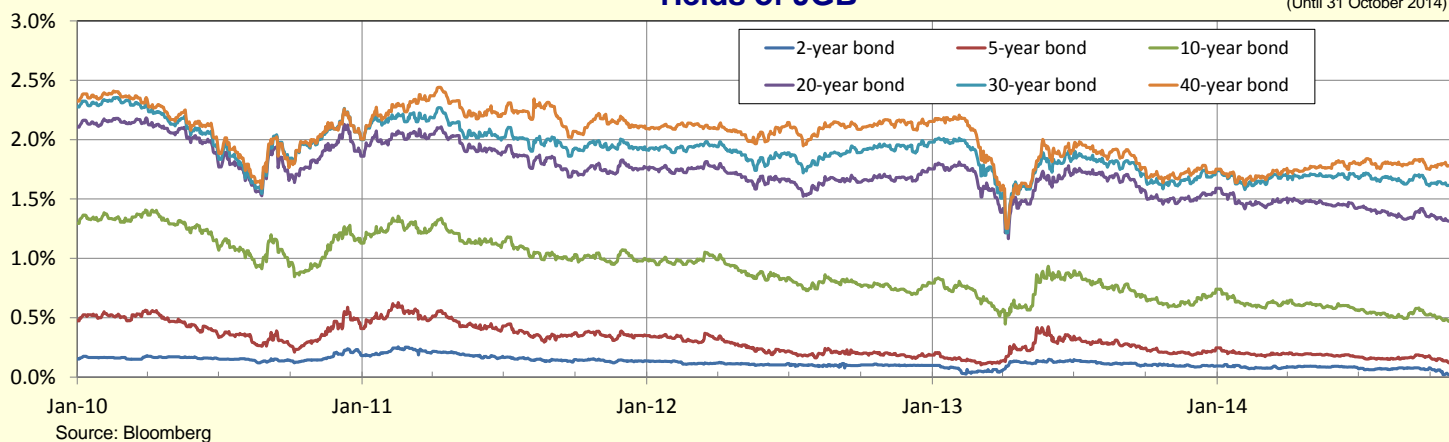
### JGB Yield Curves



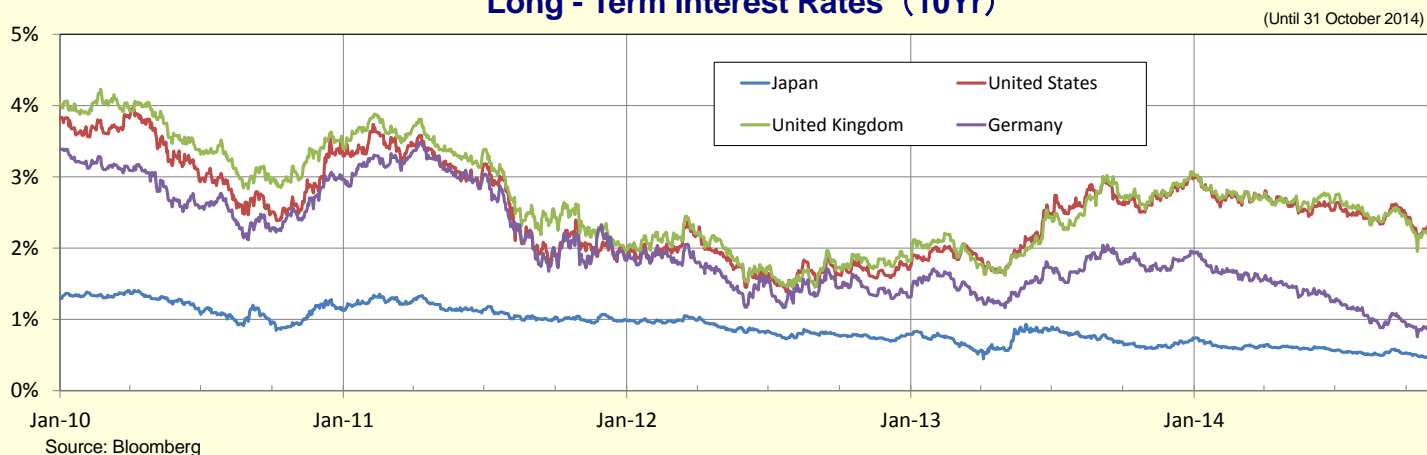
### Yield and Volatility (10Yr)



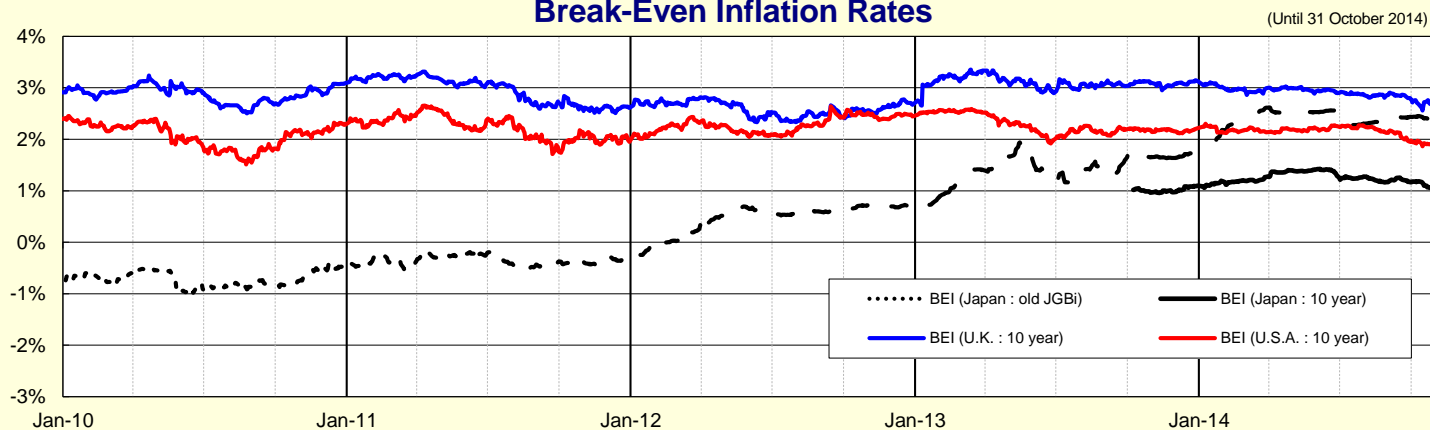
### Yields of JGB



### Long - Term Interest Rates (10Yr)

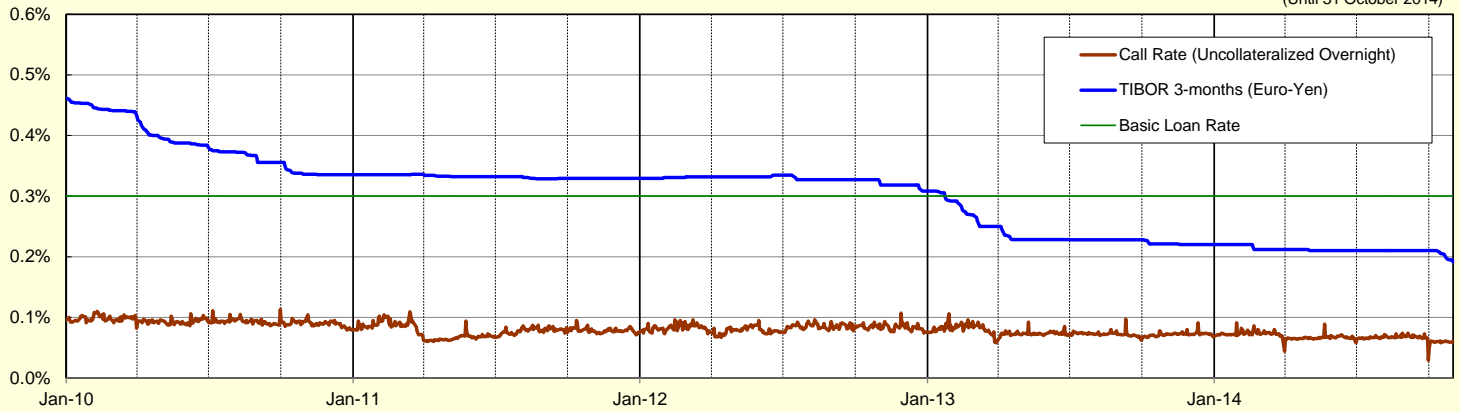


### Break-Even Inflation Rates



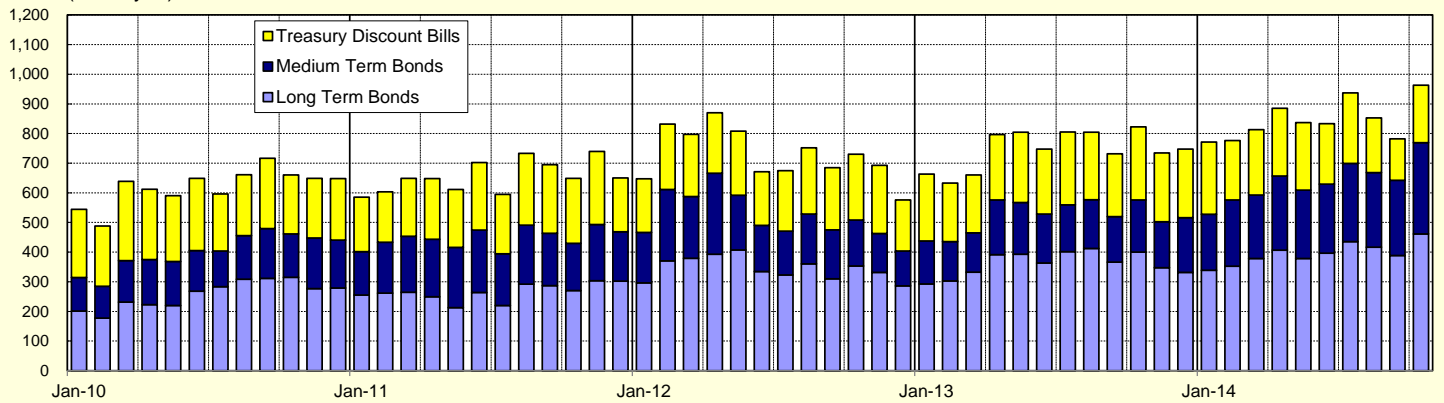
## Short-Term Interest Rates

(Until 31 October 2014)



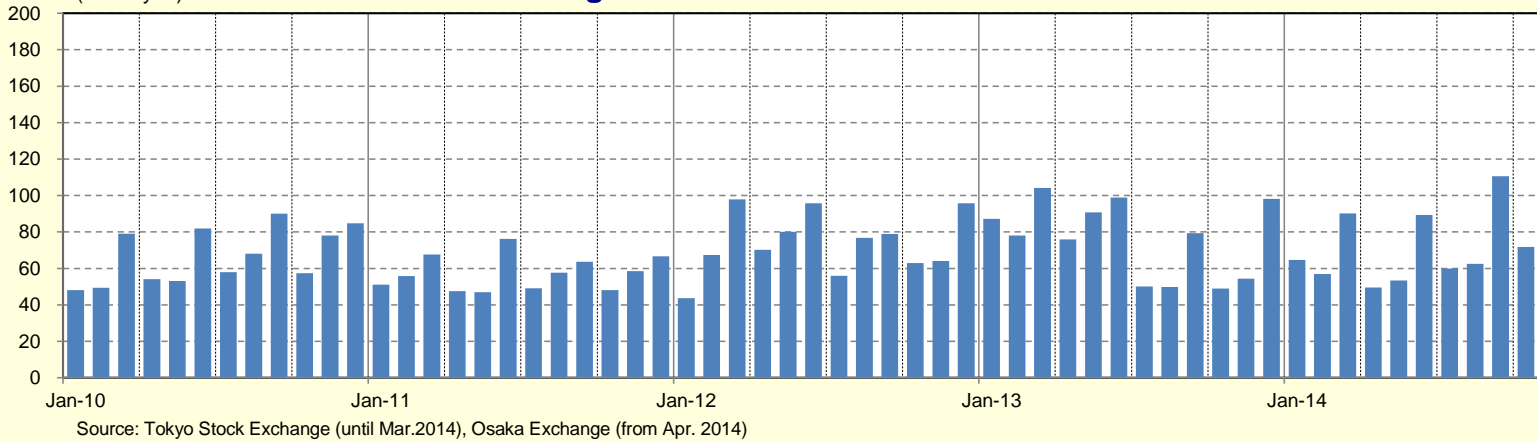
## JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



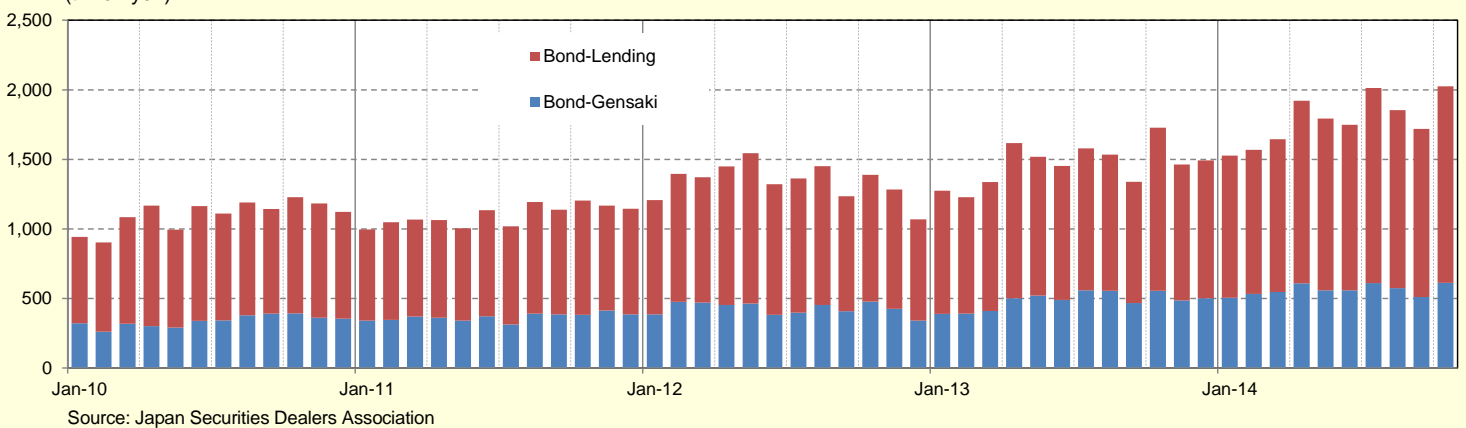
## Trading Volume of 10-Year JGB Futures

(trillion yen)



## Repurchase Transactions

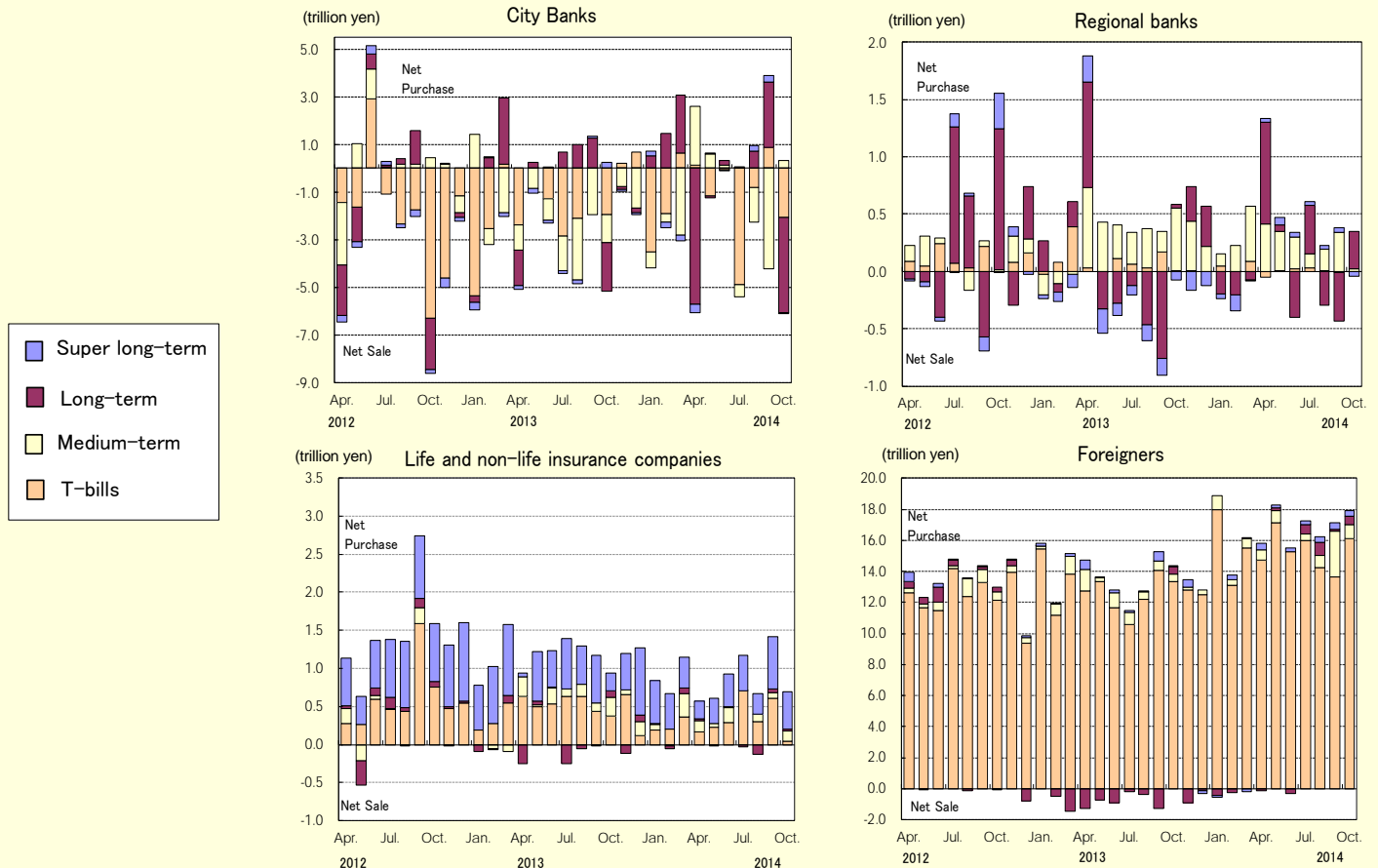
(trillion yen)



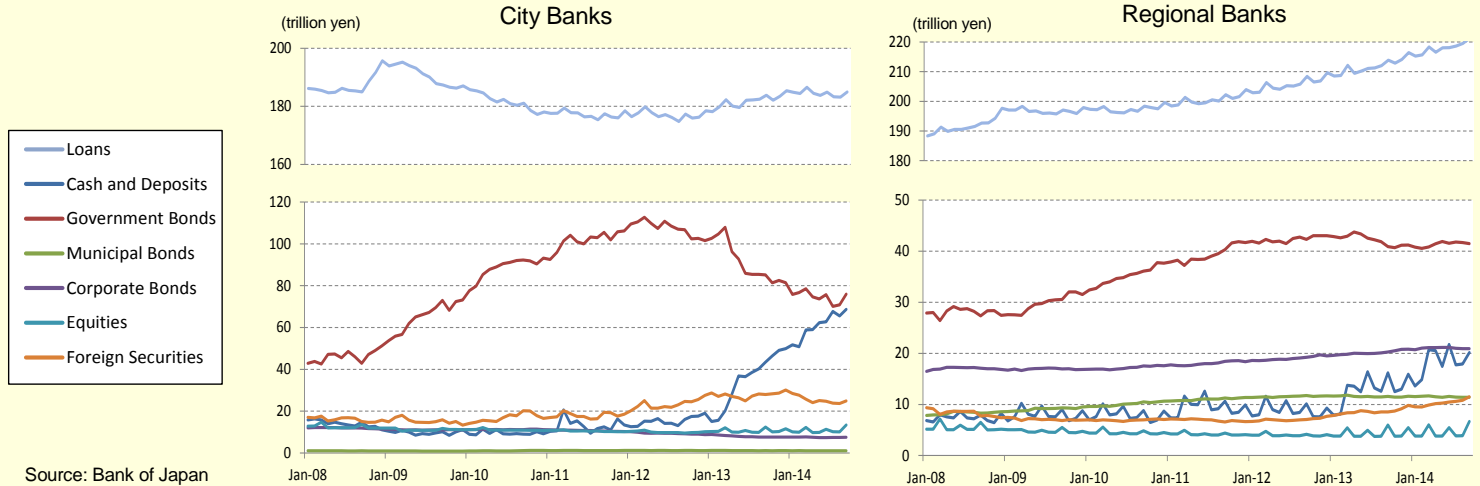


# 5 INVESTOR TRENDS AND JGB OUTSTANDING

## Trends in JGBs Transactions (by investor type)



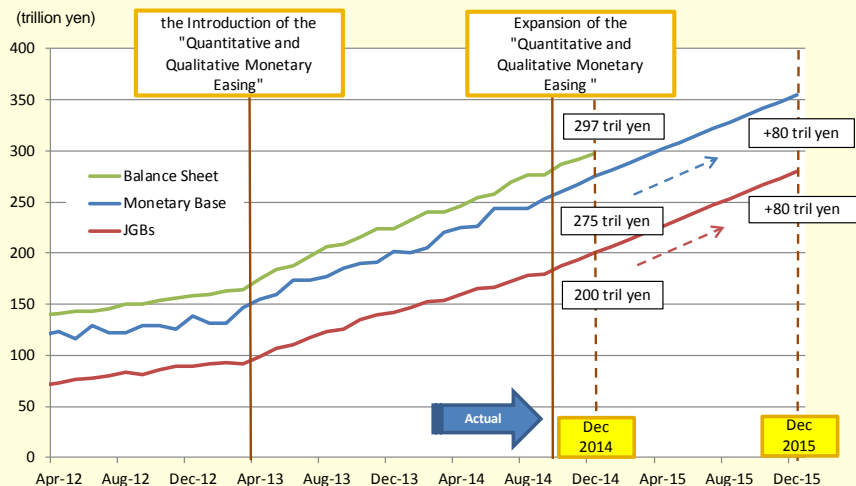
## Trends in Bank Assets by Types



## BOJ Trends

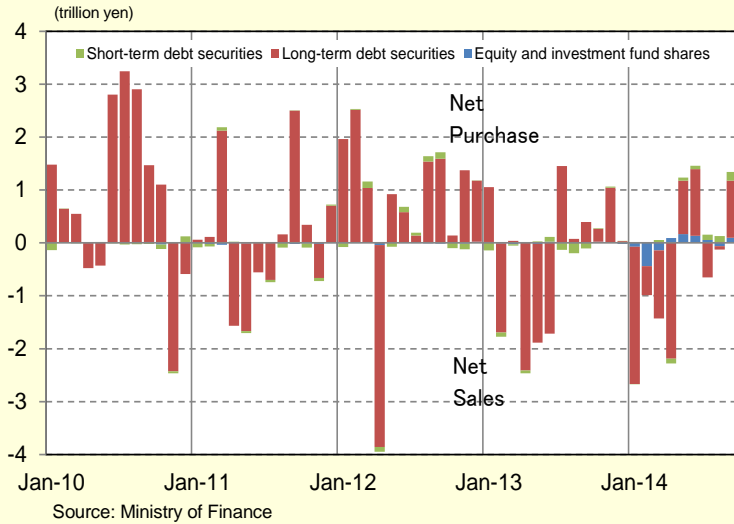
(trillion yen)	Apr 2013 (Actual)	Oct 2014 (Actual)	Dec 2014 (projected)	The pace of annual increase
Monetary Base	155	259.5	275	About 80 trillion
JGBs	98	187.4	200	About 80 trillion
CP	1.4	2.3	2.2	Maintain the outstanding balance
Corporate Bonds	2.9	3.2	3.2	Maintain the outstanding balance
ETFs	1.7	3.4	3.8	About 3 trillion
J-REITs	0.13	0.17	0.18	About 90 billion
Total Assets	175	287	297	--

Source: Bank of Japan

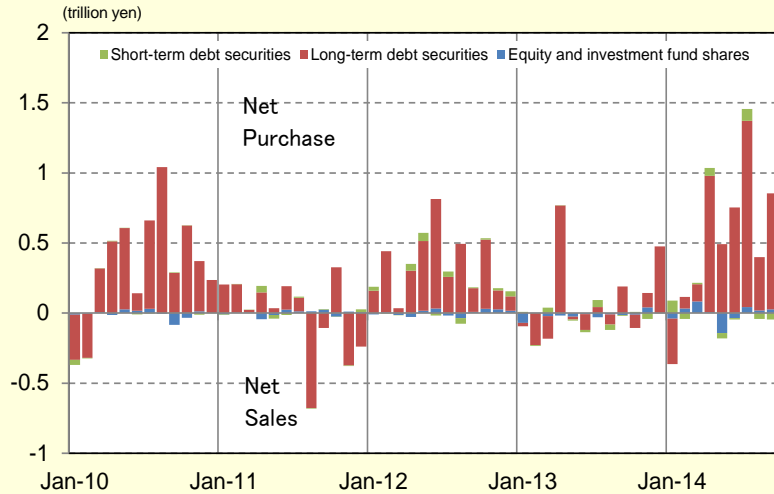


## Transactions of Foreign Securities by Residents (by Investor types)

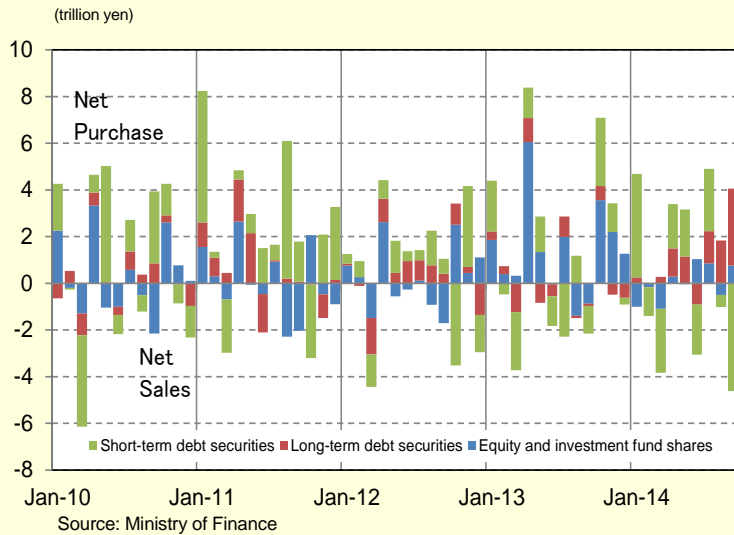
Banks(Banking Accounts)



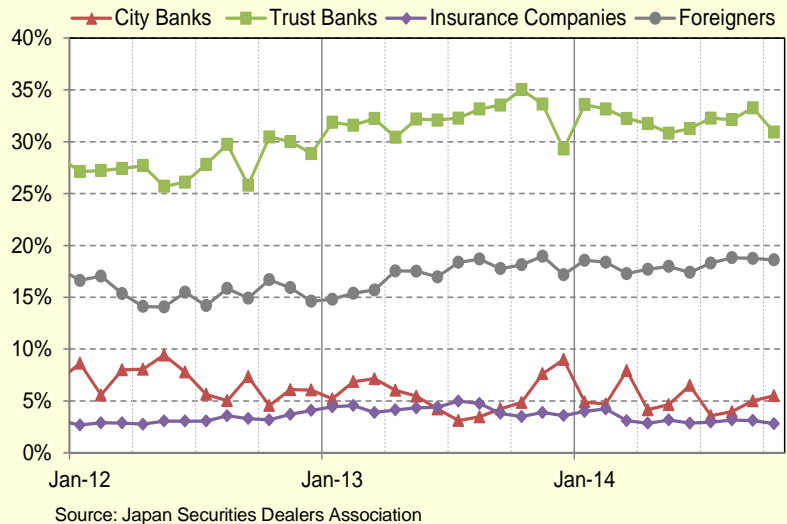
Life Insurance Companies



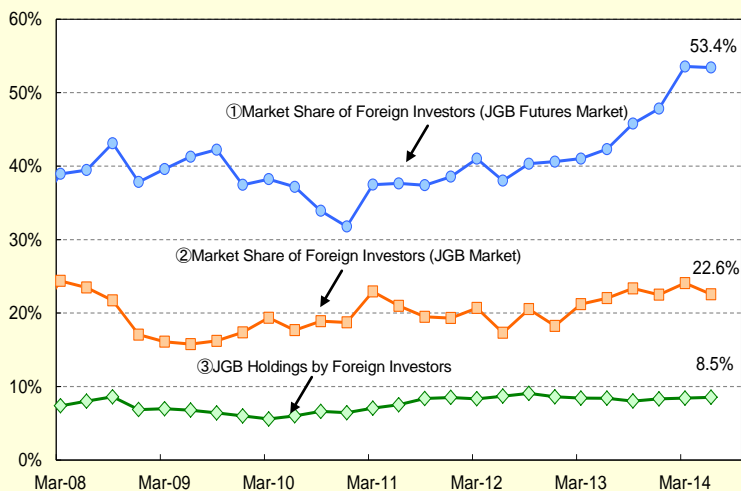
## Transactions of Domestic Securities by Non-Residents



## Outstanding of Repurchase Agreements (by Investor types)



## Foreign Investors Presence

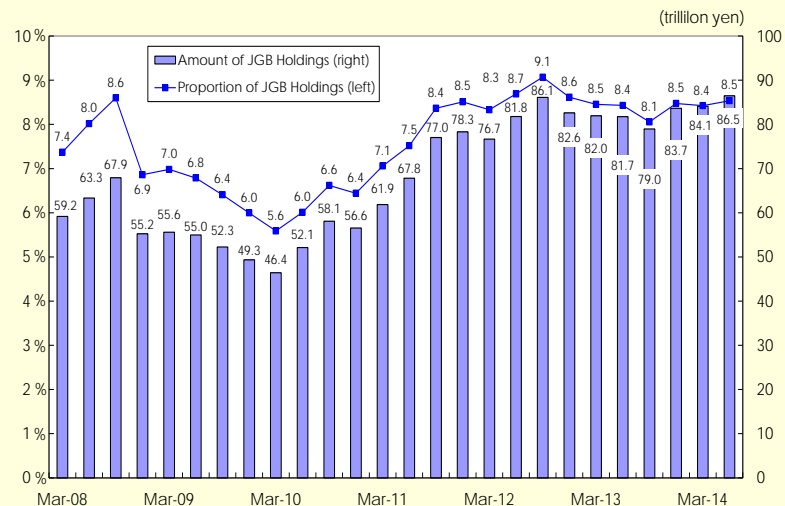


Note.1: Quarterly basis.

Note.2: "JGB" includes T-Bills. The figures of ②excludes dealers' transactions.

Source: Bank of Japan, Japan Securities Dealers Association, Tokyo Stock Exchange, Osaka Exchange

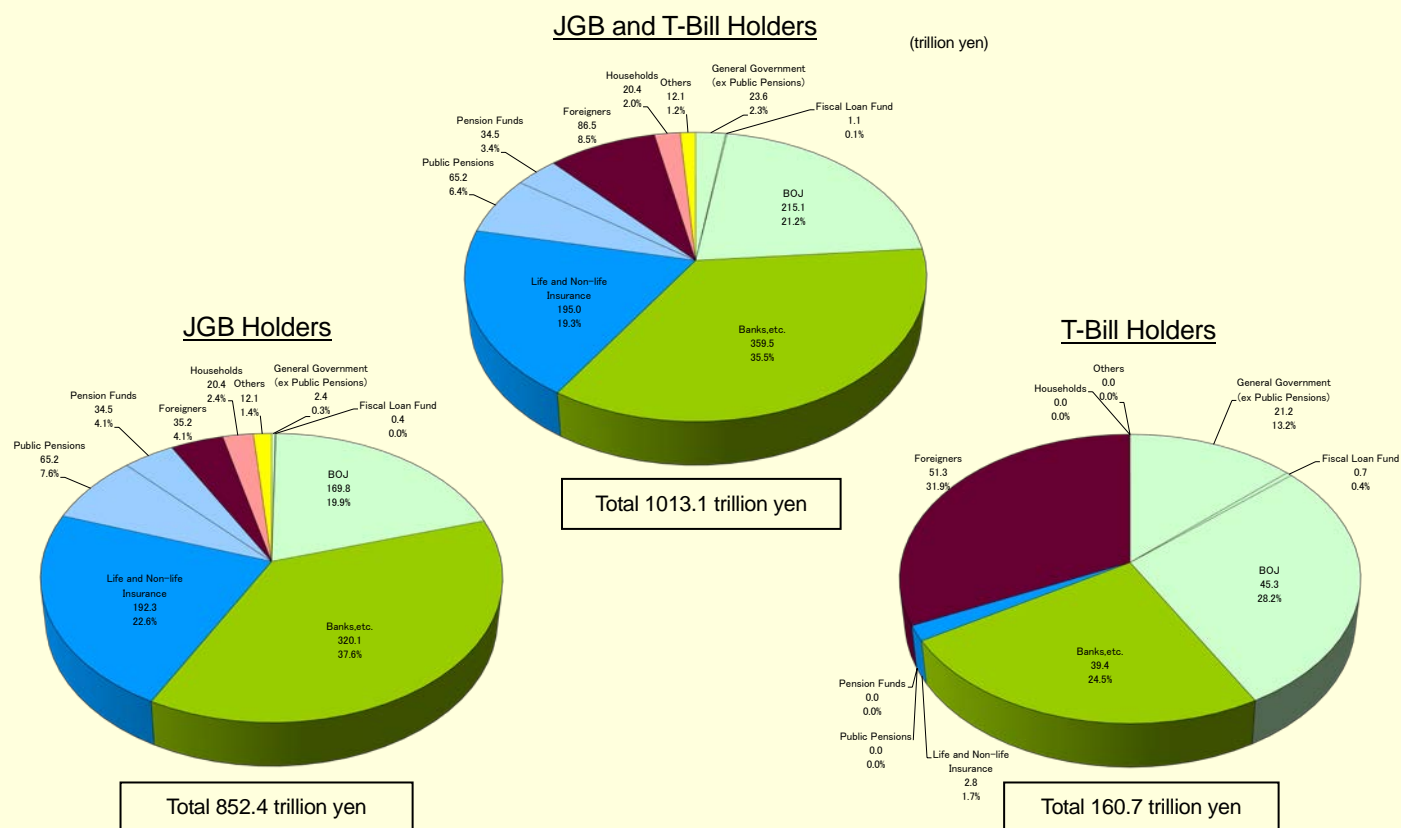
## JGBs Holding by Foreign Investors



Note: "JGB" includes T-Bills.

Source: Bank of Japan

## Breakdown by JGB and T-Bill Holders (Jun. 2014, QE)



Note.1: "JGB" includes FILP Bonds. "T-Bill" is the sum of "Treasury Bills (TBs)" and "Financial Bills (FBs)" with a maturity of 1 year or less and TBs and FBs have been jointly issued since February 2009.

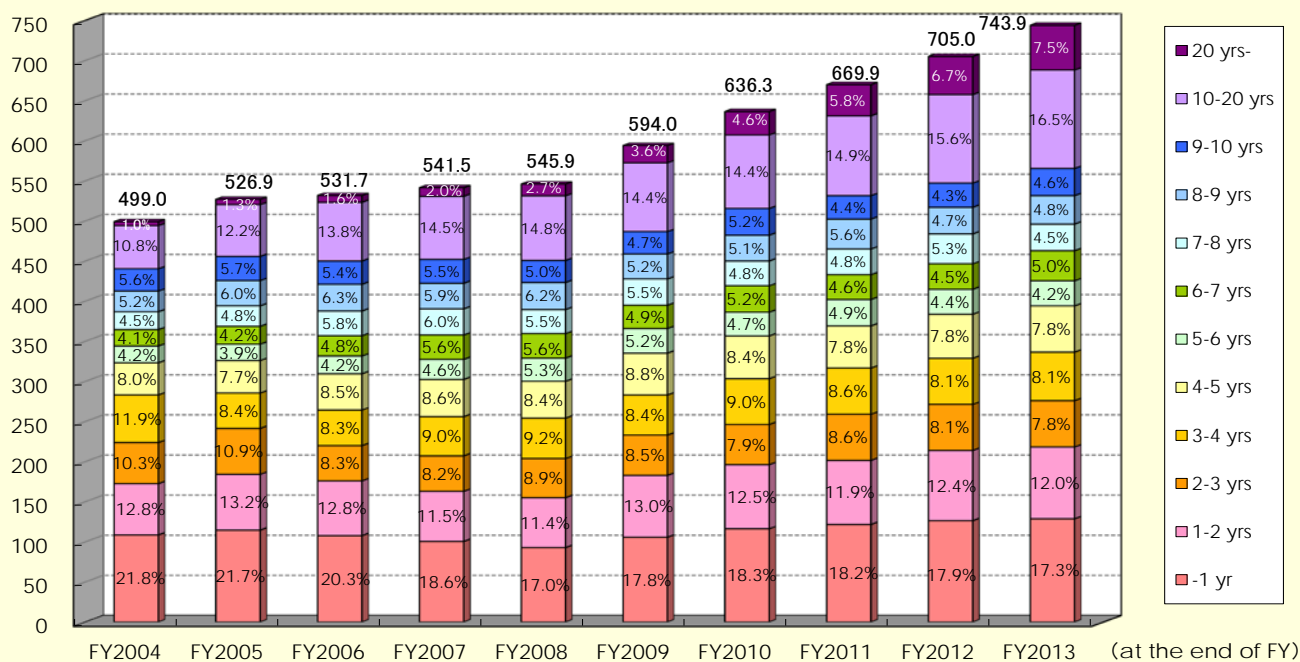
Note.2: "Banks, etc." includes Japan Post Bank, "Securities investment trust" and "Securities Companies".

Note.3: "Life and Nonlife insurance" includes Japan Post Insurance.

Source: Bank of Japan

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

(trillion yen)

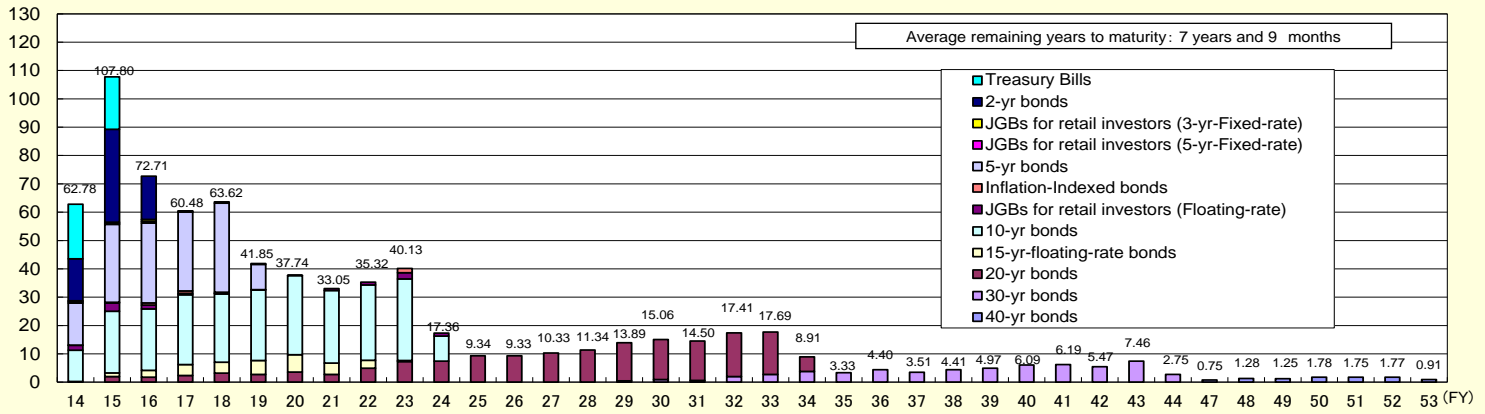


Average YTM*	5Y1M	5Y4M	5Y9M	6Y1M	6Y3M	6Y5M	6Y8M	7Y0M	7Y3M	7Y7M
Average YTM* (excluding saving bonds)	5Y0M	5Y3M	5Y8M	6Y1M	6Y4M	6Y6M	6Y10M	7Y1M	7Y5M	7Y8M

\*years to maturity

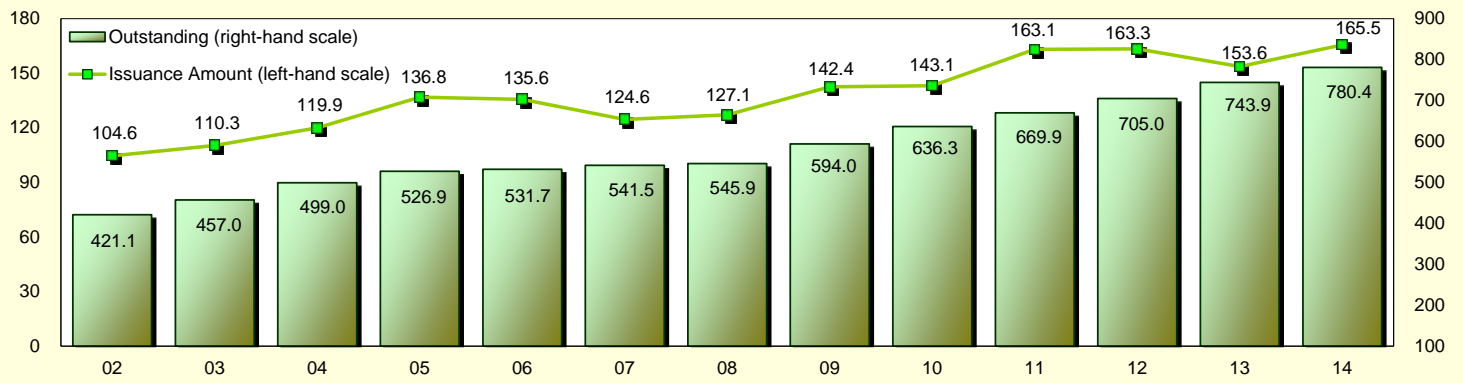
## Time-to-Maturity Structure of Outstanding JGB (Sep. 2014)

(trillion yen)



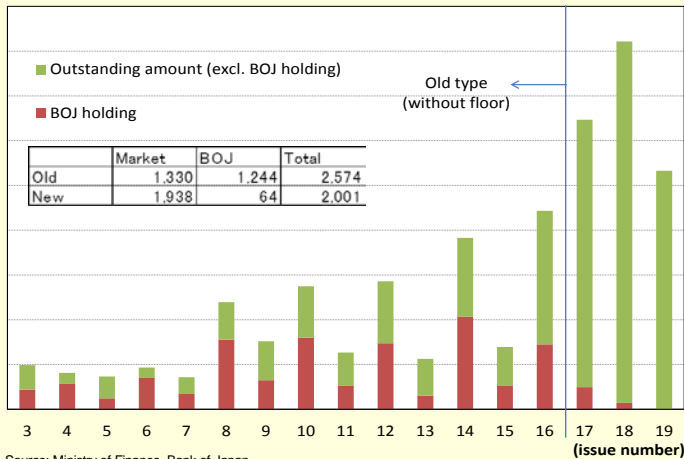
## General Bonds Issuance Amount and Outstanding

(trillion yen)



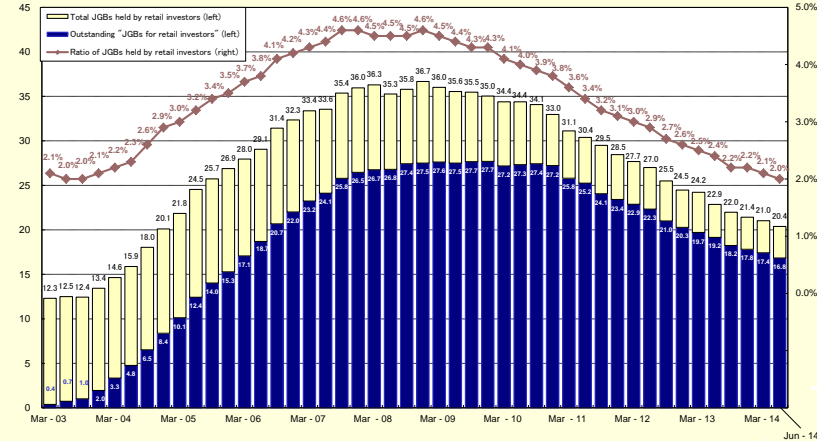
## Market-held Balance of the Inflation-Indexed Bonds (as of October 31, 2014)

(billion yen)



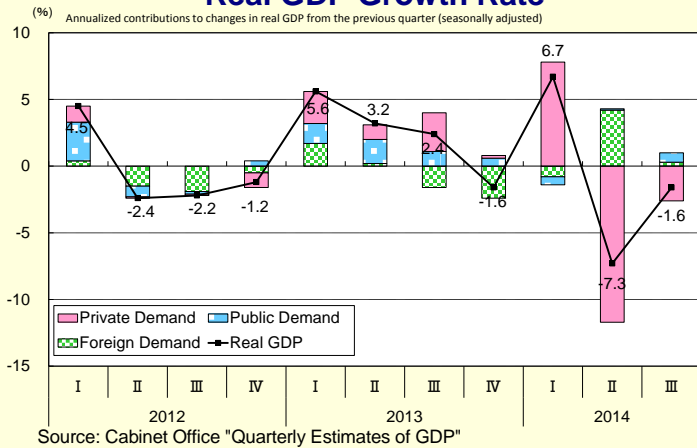
## JGB Holding by Retail Investors

(trillion yen)

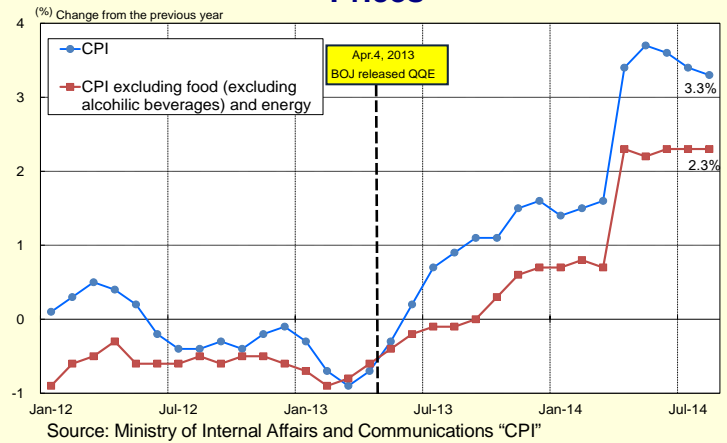


# 6 ECONOMIC AND FINANCIAL TRENDS

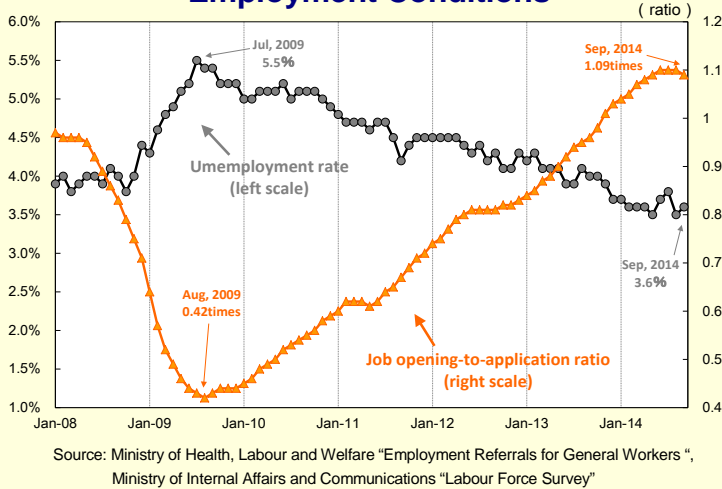
## Real GDP Growth Rate



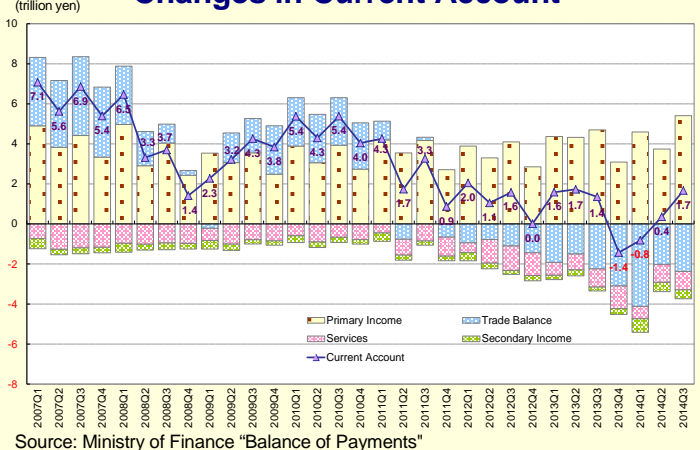
## Prices



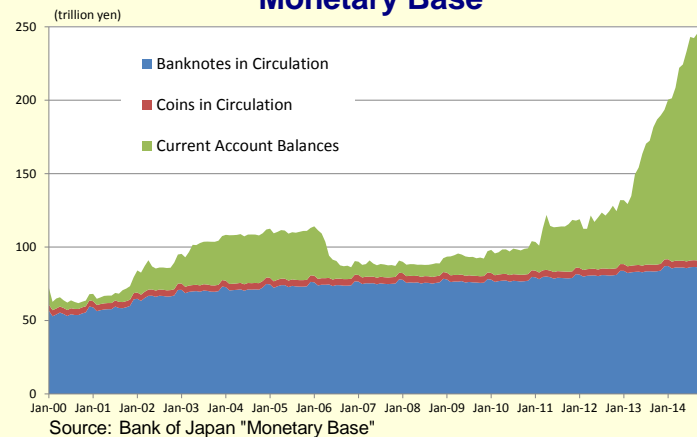
## Employment Conditions



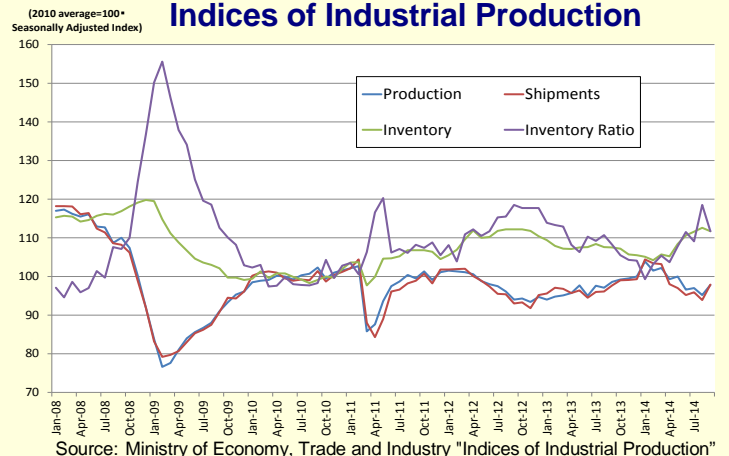
## Changes in Current Account



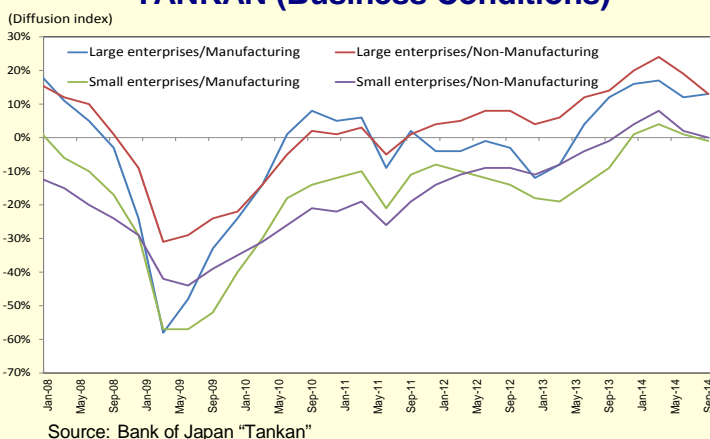
## Monetary Base



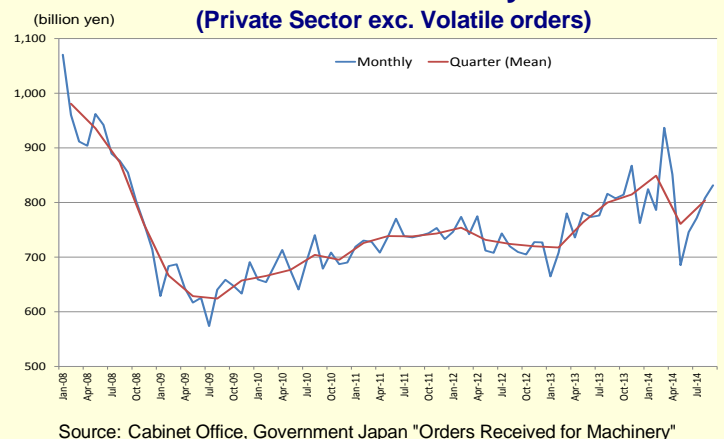
## Indices of Industrial Production



## TANKAN (Business Conditions)



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



## 7 INFORMATION

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

To subscribe to our Newsletter mailing list,  
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