

## **Trading Volume of Over-the-Counter (OTC) Bonds**

### **(Purpose)**

These statistics publish figures on over-the-counter (OTC) bond trading volume classified by the different types of bonds with the aim of providing a measure for the general public to better understand OTC transactions in the public and corporate bond market.

### **(Definitions)**

- “Government Bonds” are bonds issued and redeemed by the government. The data on “Government Bonds” are aggregated by the categories of super-long-term, long-term, medium-term, short-term (discount), and treasury discount bills, etc. based on differences in the maturity period or interest payment method.
- “Public Offering Municipal” bonds are bonds issued by local public bodies to cover portions of a variety of budgetary expenditures and therefore are redeemed across accounting years.
- “Govt. Guaranteed” bonds are bonds issued by government-related organizations and public corporations for which the government guarantees both interest and principal payments.
- “FILP Agency Bonds” are bonds issued by government-related organizations and public corporations for which the government does not guarantee interest and principal payments.
- “Transportation” bonds are bonds issued by the Teito Rapid Transit Authority (dissolved on April 1, 2004) under the Teito Rapid Transit Authority Act (Abolished effective March 31, 2004). The figures also include corporate bonds issued by Tokyo Metro Co., Ltd.
- “NHK” bonds are bonds issued by Japan Broadcasting Corporation (NHK) under the Broadcast Act.
- “Bank Debentures” are notes issued by specified financial institutions based on the underlying laws by which they were established. This classification includes issues by banks that succeeded the businesses of long-term banks or merged with foreign exchange banks and had such issues approved under special provisions. Issue of these debentures is also approved for financial institutions covered by the Norinchukin Bank Act, Shoko Chukin Bank Act, and Shinkin Bank Act. Bank debentures come in the forms of coupon bank debentures and discount bank debentures that have their face value discounted in lieu of paying interest.
- “Yen-Denominated Foreign” bonds are yen-denominated bonds issued in Japan by foreign governments, foreign government-related organizations, and foreign corporations. Issues (settlements), interest payments, and redemptions are all done in Japanese yen.

- “Corporate” bonds are bonds issued by stock companies for financing. The figures also include bonds issued by investment corporations (which are corporate bodies established for the purpose of investing in specified assets and managing those assets).
- “NTT” bonds are publicly offered bonds issued by Nippon Telegraph and Telephone Corporation (NTT).
- “Electric Power” bonds are publicly offered bonds issued by 10 electric power companies nationally.
- “Specified Asset Backed Securities” are bonds issued by special purpose companies established under the Asset Securitization Act. Specified corporate bonds are issued as asset backed bonds with the underlying assets held by the issuing special purpose companies.
- “Convertible Bonds” are corporate bonds with attached share options (the right to acquire a specified amount of shares in the company at a predetermined price if the share option is exercised within a specified period).
- “Private Offering” bonds are bonds, among listed above, that are not offered to the general public at the time of issue and which the issuer has underwritten by a specified small number of individuals or institutions.
- Trading with “Repurchase Agreements” means the trading of bonds with an attached agreement to either repurchase or resell bonds of the same issue type and amount (same issuer, series, type, face value, number, etc.) on a specific date in the future (including a date decided on by a specific method) at a specific price (including a price decided on by a specific calculation method).

#### **(Data Source)**

The data in these statistics are gathered from JSDA member reports on OTC trading of issued bonds (including transactions in JGBs prior to issue date and issues listed on exchanges, and excluding foreign currency-denominated bonds) conducted by their head offices, branches, and other business offices during the period from the first to last business day of each month.

- \* Special Members are only requested to report on transactions conducted in respect of their registered financial institution business.

#### **(Notes for Users)**

- Transactions on exchanges are outside the scope of aggregation of OTC bond trading.
- The aggregation includes 1) purchases (purchase contracts) of new coupon-bearing bank debentures from issuers; 2) purchases of JGBs, treasury discount bills, etc. (T-bills), and financing bills (FBs) through bid at public auctions; and 3) purchases of bonds through bid in operations of the Bank of Japan, etc. (selling operations and buying operations).

- The volumes of underwriting and secondary distributions of securities and those of handling offerings and secondary distributions are not subject to aggregation.

**(Publication Timing)**

These statistics are published, in principle, on the 15<sup>th</sup> day of each month on the JSDA's website.

These explanatory materials are intended to provide assistance to non-professionals using the statistical data provided by the JSDA in understanding the specialized vocabulary used in the statistics. The definitions and other explanations used are not necessarily based on laws or other regulations.