【Fixed Income Commentary】

JSDA bond transaction data by investor category (July 2026)

(original Japanese report issued on August 20, 2026)

Key points

- Medium-term JGBs: Major domestic investors were net buyers, apparently attracted by higher yields; non-residents, meanwhile, posted substantial net sales of more than JPY1 trillion
- Long-term JGBs: Major domestic investors except financial institutions for agriculture and forestry were net buyers in response to higher yields; non-residents turned net sellers for the first time in four months
- Super-long JGBs: Insurers were net buyers for a second consecutive month; non-residents were also net buyers, possibly reflecting demand through flattener trades

The Japan Securities Dealers Association released its OTC bond trading data for July 2026 today.

July JGB market review

The yield on the 10-year JGB ended July at 2.790%, up from 2.670% at the end of the previous month, after trading in a range of 2.675% to 2.900%. Amid persistent concerns that the Bank of Japan might fall behind the curve, the 10-year yield rose on higher crude oil prices due to turmoil in the Middle East coupled with further weakness in the yen. Some observers also pointed to lingering concerns about fiscal expansion following the government's announcement of the "Basic Policy" for 2026. On July 10, Finance Minister Satsuki Katayama said with regard to the Government Pension Investment Fund that "…we would like to pursue measures that encourage…pension funds such as the Government Pension Investment Fund (GPIF) to invest more in Japanese financial assets." Long-term yields fell relatively sharply at one point amid speculation the GPIF would increase its allocation to domestic bonds, but the move was short-lived. Although the BoJ voted 8-1 to keep the policy rate steady at its July 30-31 Monetary Policy Meeting, the market impact was limited. In the forex market, the US dollar fell sharply against the yen on July 30 and 31. The July 30 move is believed to have been the result of unilateral yen-buying intervention by the Japanese government, while on July 31 it was announced that the Japanese and US authorities had carried out coordinated yen-buying intervention, likely after the close of the JGB market. Nevertheless, the 10-year yield declined only modestly on July 31. The JGB curve underwent a bear-flattening/steepening in July with the change in curve dynamics occurring around the 25-year sector.

Summary of developments in July JGB trading value

The seven investor groups covered in this report[1] were net buyers of medium-term coupon-bearing JGBs for a 14th consecutive month, with purchases exceeding sales by JPY1,283.9 billion, down from net purchases of JPY1,460.9 billion in June. All major domestic investors were net buyers. The increases in net purchases by regional and second-tier regional banks, agricultural and forestry financial institutions, and shinkin banks were particularly notable, apparently reflecting the rise in yields. Non-residents, meanwhile, posted substantial net sales of JPY1,278.8 billion, exceeding JPY1 trillion. Investors' net purchases of long-term coupon-bearing JGBs totaled JPY841.5 billion, up from JPY362.8 billion in June, marking a seventh consecutive month of net buying. All major domestic investors except agricultural and forestry financial institutions were net buyers, apparently attracted by higher yields, as in the medium-term sector. Non-residents, meanwhile, turned net sellers for the first time in four months, with sales exceeding purchases by JPY139.5 billion, versus net purchases of JPY365.7 billion in June. In the super-long sector, purchases exceeded sales for a 39th straight month, with net buying amounting to JPY669.1 billion, down from JPY1,007.6 billion in June. Life and non-life insurers were net buyers for a second consecutive month, with purchases exceeding sales by JPY322.6 billion, down from JPY630.5 billion in June. This may have reflected dip-buying demand when the 30-year JGB yield was around 4%. Non-residents were also net buyers, with net purchases of JPY889.9 billion versus net sales of JPY108.5 billion in June, possibly reflecting demand through flattener trades.

Below we examine JGB trading value by investor category.

City banks

City banks were net buyers of coupon-bearing JGBs for a fourth consecutive month, with purchases exceeding sales by JPY318.3 billion, down from JPY553.2 billion in June. They were net buyers of medium-term JGBs for a fourth successive month, although net purchases declined to JPY143.4 billion from JPY439.0 billion in June. Net purchases of long-term JGBs increased to JPY185.5 billion from JPY79.1 billion in June. Some investors may have viewed 10-year JGB yields approaching 3% as attractive. City banks turned net sellers of super-long JGBs for the first time in four months, although sales exceeded purchases by a modest JPY10.6 billion, versus net purchases of JPY35.1 billion in June. Growing concerns over fiscal expansion and monetary policy falling behind the curve may have prompted a more cautious investment stance toward super-long sector.

Regional and second-tier regional banks

Regional and second-tier regional banks purchased a net JPY793.1 billion in coupon-bearing JGBs, extending their net buying streak to 15 months. The figure increased from JPY451.2 billion in June. By maturity, net purchases of medium-term JGBs rose to JPY964.3 billion from JPY381.6 billion in June, while net purchases of long-term JGBs increased to JPY137.1 billion from JPY94.0 billion. Net purchases of medium-term JGBs were the largest since April 2024 and the third largest since the statistics began, apparently reflecting the rise in yields. The institutions remained net sellers of super-long JGBs for a third consecutive month, with sales exceeding purchases by JPY308.3 billion, versus net sales of JPY24.4 billion in June. The tightening of super-long asset swap (ASW) spreads may have curbed ASW trades or prompted investors to unwind existing positions.

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[1] The seven major categories are city banks, regional and second-tier regional banks, trust banks, financial institutions for agriculture and forestry, shinkin banks, life and non-life insurance companies, and non-residents.

Trust banks

Trust banks were net buyers of coupon-bearing JGBs for a 15th consecutive month, with purchases exceeding sales by JPY1,501.7 billion, up from JPY1,240.8 billion in June. Domestic bonds appear to have continued to attract inflows as part of pension fund portfolio rebalancing. JPX data show that trust banks turned net buyers of domestic equities in July for the first time in three months, with purchases exceeding sales by JPY174.5 billion, versus net sales of JPY146.8 billion in June. According to Ministry of Finance data, trust banks' trust accounts remained net sellers of foreign equities and investment fund shares for a fourth straight month, with sales exceeding purchases by JPY1,048.8 billion, versus JPY1,282.7 billion in June. They were net buyers of long-term foreign bonds for a fourth consecutive month, with purchases exceeding sales by JPY895.7 billion, down from JPY1,545.2 billion in June. By maturity, trust banks purchased a net JPY802.5 billion in medium-term JGBs, versus JPY954.2 billion in June, JPY589.6 billion in long-term JGBs, versus net sales of JPY340.3 billion, and JPY109.6 billion in super-long JGBs, versus net purchases of JPY626.2 billion.

Financial institutions for agriculture and forestry

Financial institutions for agriculture and forestry were net buyers of coupon-bearing JGBs for a fifth consecutive month, with purchases exceeding sales by JPY150.2 billion, up from JPY139.3 billion in June. The sharp increase in net purchases of medium-term JGBs was particularly notable. Purchases exceeded sales by JPY420.7 billion, up from JPY128.4 billion in June and the largest figure since August 2013. The institutions turned net sellers of long-term JGBs for the first time in six months, with sales exceeding purchases by JPY66.2 billion, versus net purchases of JPY111.3 billion in June. They remained net sellers of super-long JGBs for an eighth straight month, with net sales amounting to JPY204.3 billion, versus net selling of JPY100.4 billion in June. The rise in yields appears to have encouraged continued switching from longer to shorter maturities.

Shinkin banks

Shinkin banks were net buyers of coupon-bearing JGBs for a fifth consecutive month, with purchases exceeding sales by JPY162.5 billion, up from JPY75.1 billion in June. The increase mainly reflected a rise in net purchases of medium-term JGBs to JPY213.2 billion from JPY100.1 billion. Net purchases of long-term JGBs also increased to JPY79.1 billion from JPY25.9 billion in June, apparently reflecting the rise in yields. Shinkin banks remained net sellers of super-long JGBs for a second consecutive month, with sales exceeding purchases by JPY129.8 billion, versus net selling of JPY50.9 billion in June. As with regional and second-tier regional banks, the tightening of super-long ASW spreads may have curbed ASW trades or prompted investors to unwind existing positions.

Life and non-life insurers

Life and non-life insurers were net buyers of coupon-bearing JGBs for a fifth consecutive month, with purchases exceeding sales by JPY397.1 billion, down from JPY801.7 billion in June. In the key super-long sector, they were net buyers for a second straight month, with purchases exceeding sales by JPY322.6 billion, although the figure was down from JPY630.5 billion in June. The 30-year JGB yield struggled to rise much above 4% in July, apparently prompting dip-buying demand at this psychologically important level. Gross trading value in super-long JGBs, comprising purchases and sales, declined to JPY2,154.4 billion from JPY3,065.5 billion in June. Nevertheless, it was slightly above the FY25 average of JPY2,093.9 billion, suggesting that portfolio rotations continued on a reasonable scale. Insurers also purchased a net JPY18.6 billion in medium-term JGBs, versus JPY144.1 billion in June, and JPY55.9 billion in long-term JGBs, versus JPY27.1 billion.

Non-residents

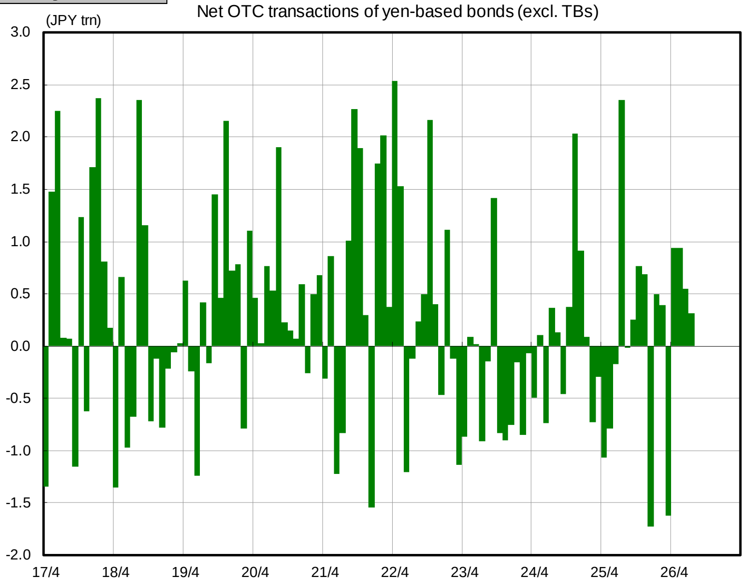
Non-residents were net sellers of coupon-bearing JGBs for a second consecutive month, with sales exceeding purchases by JPY528.4 billion, versus net sales of JPY430.0 billion in June. They were net sellers of medium-term JGBs to the tune of JPY1,278.8 billion, versus net selling of JPY687.2 billion in June, and of long-term JGBs to the tune of JPY139.5 billion, versus net purchases of JPY365.7 billion. In contrast, non-residents purchased a net JPY889.9 billion in super-long JGBs, versus net sales of JPY108.5 billion in June. Their net sales of medium-term JGBs were the second largest since the statistics began. The super-long sector appeared relatively cheap on the JGB yield curve compared with the corresponding sectors of other major-market yield curves, possibly prompting purchases through flattener trades.[2]

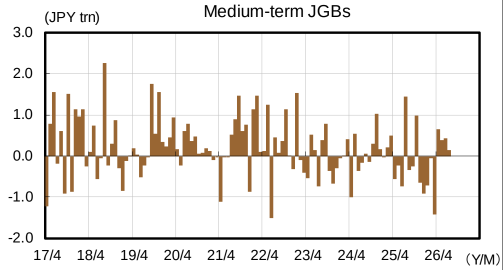
Note that these statistics do not capture flows from investors directly participating in the BoJ's bond-buying operations or the MoF's JGB auctions and should therefore not be considered conclusive. Slight discrepancies between the net purchase/sales figures and published values are attributable to rounding.

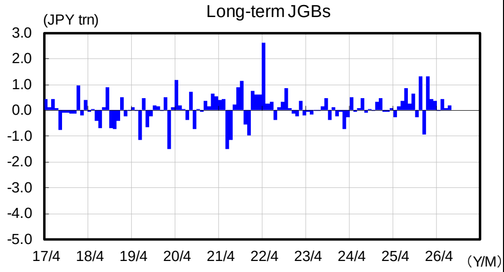
Takahiro Otsuka
Senior Fixed Income Strategist
11:00 JST, August 20, 2026

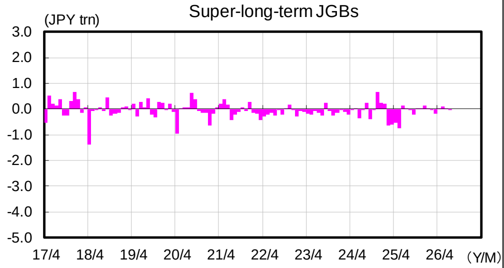
[2] For details, refer to our August 10, 2026 *Fixed Income Commentary* ("Europe and North America trip report: Conflicting views on super-long JGBs").

City banks





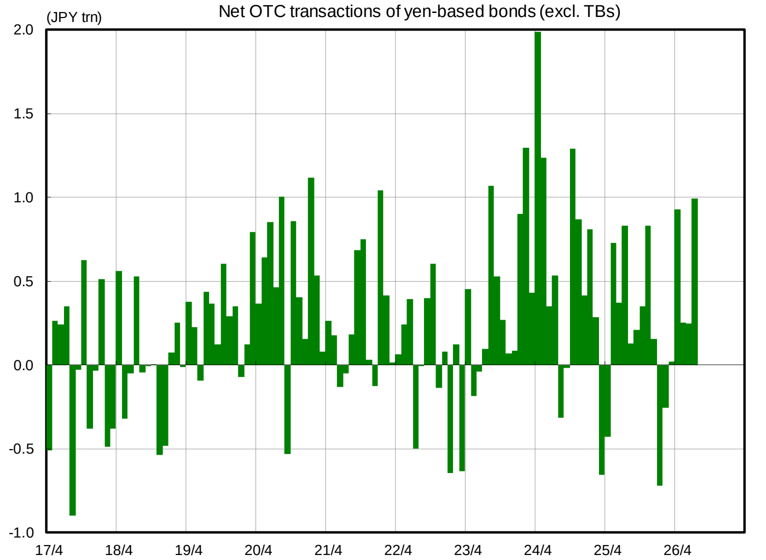


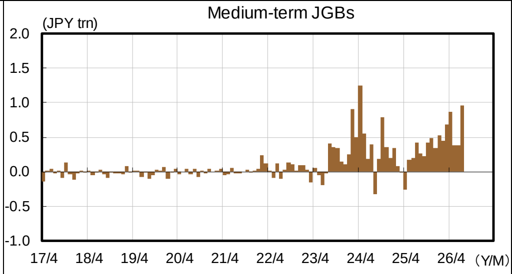


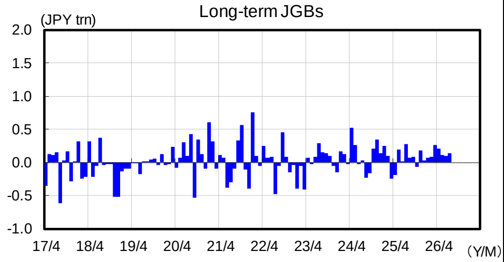
(JPY bn)

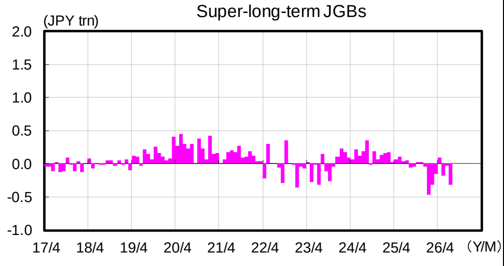
Total		+317.8 billion, 4th straight month of net buying	buying	2,881.1
			selling	2,563.3
JGBs :	Medium term	+143.4 billion, 4th straight month of net buying	buying	2,158.4
			selling	2,015.0
	Long term	+185.5 billion, 3rd straight month of net buying	buying	475.5
			selling	290.0
	Super-long	- 10.6 billion, first net selling in 4 months	buying	237.5
			selling	248.1

Regional banks (Tier 1 + 2)







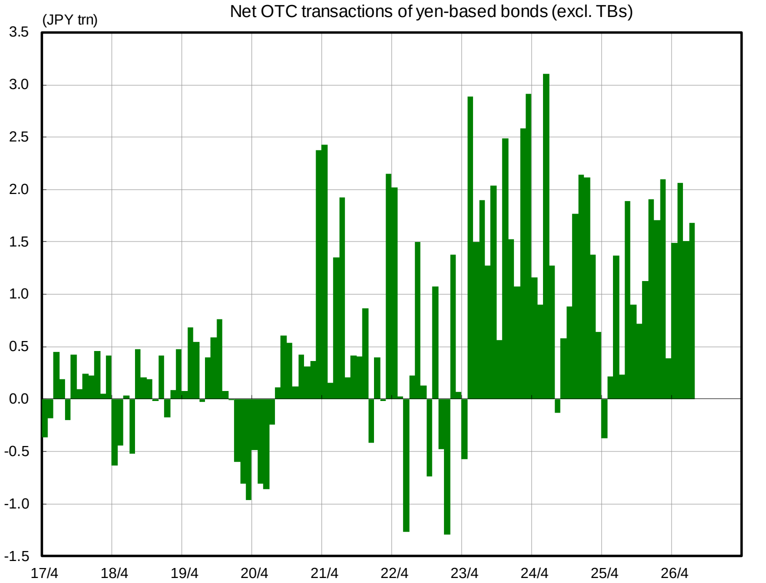


(JPY bn)

Total		+992.3 billion, 5th straight month of net buying	buying	2,396.6
			selling	1,404.3
JGBs :	Medium term	+964.3 billion, 15th straight month of net buying	buying	1,123.8
			selling	159.5
	Long term	+137.1 billion, 9th straight month of net buying	buying	384.8
			selling	247.7
	Super-long	- 308.3 billion, 3rd straight month of net selling	buying	213.2
			selling	521.5

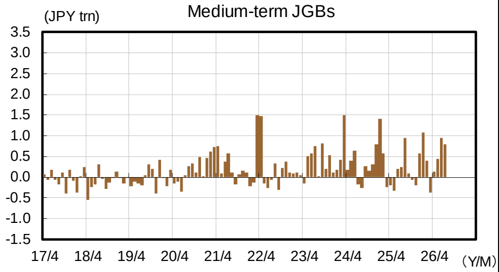
Source: MUMSS, from Japan Securities Dealers Association

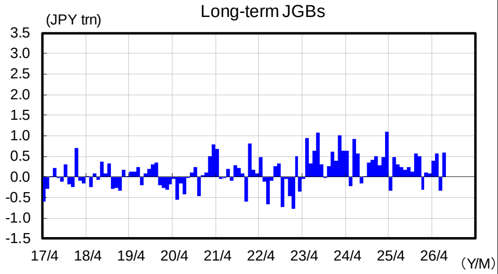
Trust banks

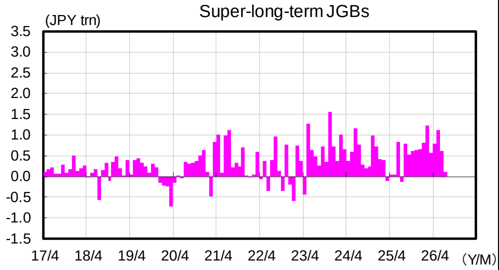


(JPY bn)

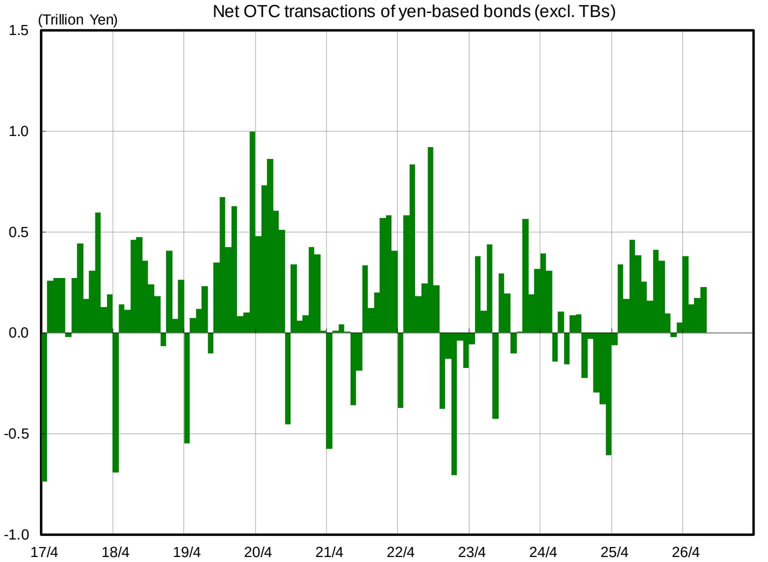
Total	+1,681.9 billion, 15th straight month of net buying	buying selling	7,810.2 6,128.3
JGBs : Medium term	+802.5 billion, 4th straight month of net buying	buying selling	3,372.0 2,569.5
Long term	+589.6 billion, first net buying in 2 months	buying selling	1,861.1 1,271.5
Super-long	+109.6 billion, 12th straight month of net buying	buying selling	1,992.0 1,882.4





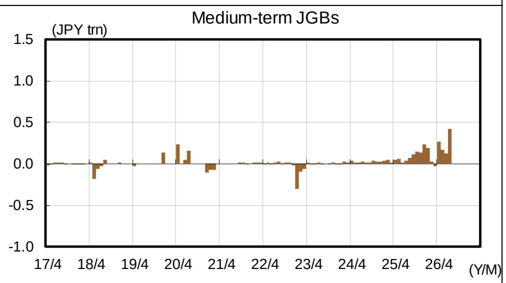


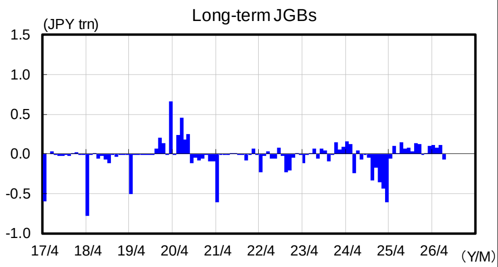
Agricultural and forestry financial institutions

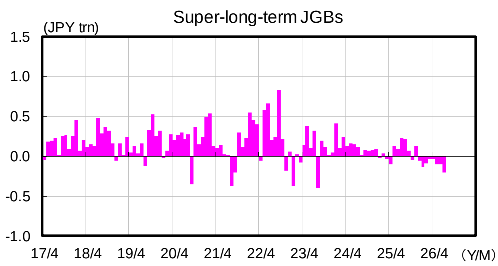


(JPY bn)

Total	+226.0 billion, 5th straight month of net buying	buying selling	948.4 722.4
JGBs : Medium term	+420.7 billion, 4th straight month of net buying	buying selling	493.3 72.6
Long term	- 66.2 billion, first net selling in 6 months	buying selling	138.6 204.8
Super-long	- 204.3 billion, 8th straight month of net selling	buying selling	212.8 417.1

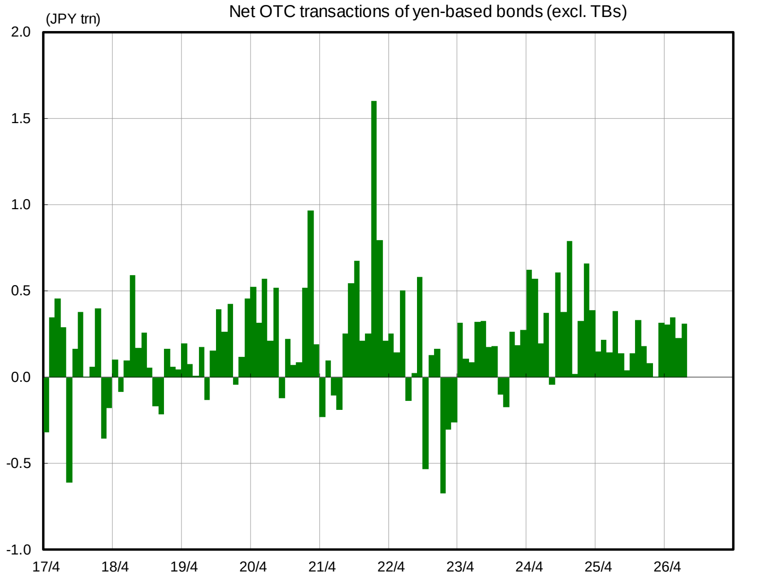


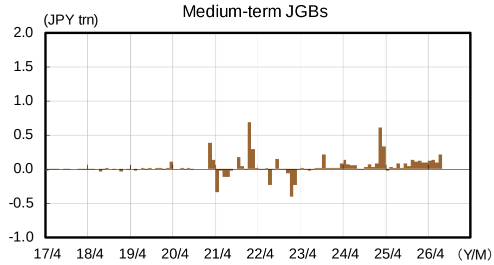


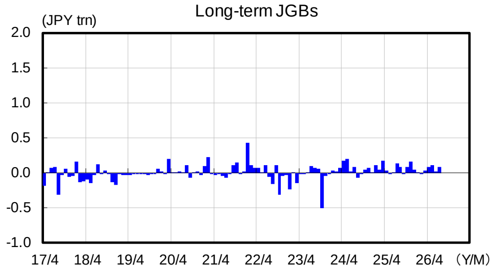


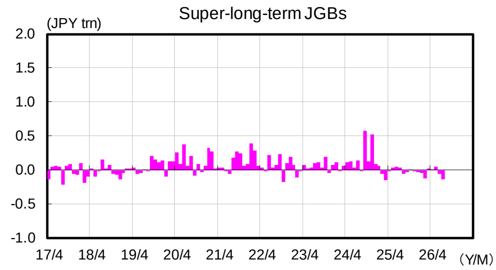
Source: MUMSS, from Japan Securities Dealers Association

Shinkin banks



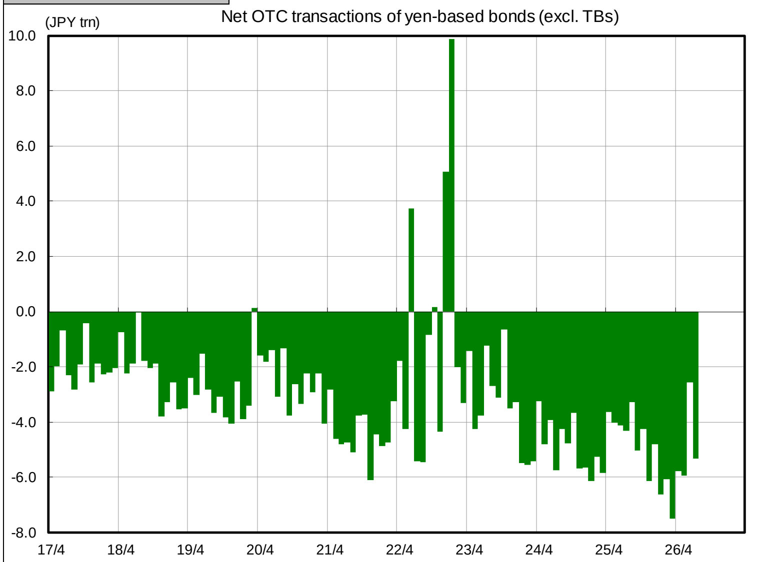




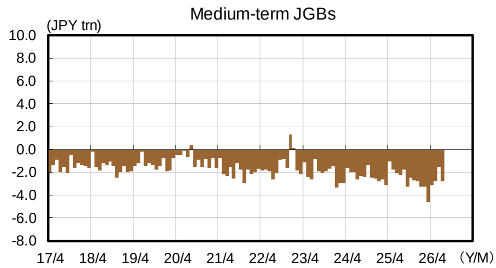


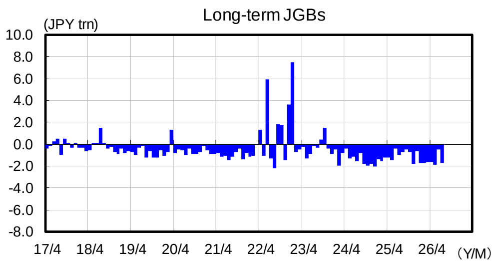
			(JPY bn)
Total	+312.0 billion, 23rd straight month of net buying	buying	641.9
		selling	329.9
JGBs : Medium term	+213.2 billion, 15th straight month of net buying	buying	216.7
		selling	3.5
Long term	+79.1 billion, 5th straight month of net buying	buying	97.6
		selling	18.5
Super-long	- 129.8 billion, 2nd straight month of net selling	buying	21.2
		selling	151.0

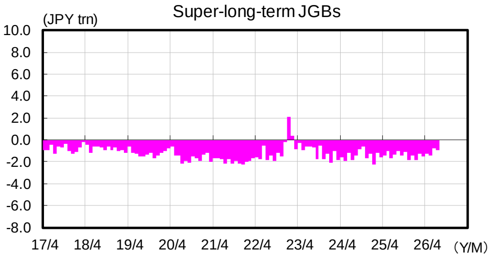
Others*



*Japanese government, BoJ, Government Pension Investment Fund, Japan Post Group, etc.



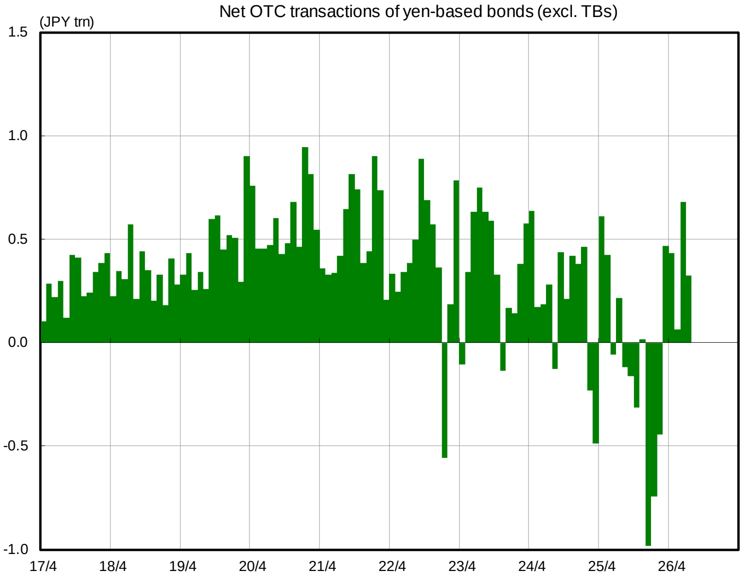


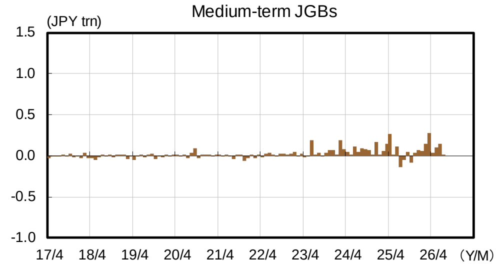


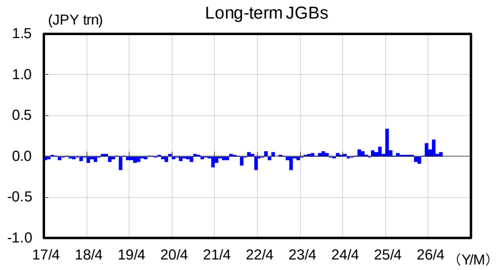
			(JPY bn)
Total	- 5,321.0 billion, 42nd straight month of net selling	buying	3,174.7
		selling	8,495.7
JGBs : Medium term	- 2,805.2 billion, 42nd straight month of net selling	buying	1,713.2
		selling	4,518.4
Long term	- 1,730.6 billion, 33rd straight month of net selling	buying	471.7
		selling	2,202.3
Super-long	- 912.7 billion, 41st straight month of net selling	buying	854.2
		selling	1,766.9

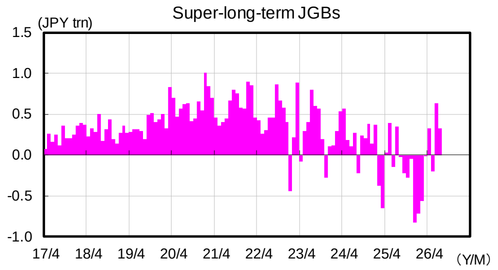
Source: MUMSS, from Japan Securities Dealers Association

Life and non-life insurance companies





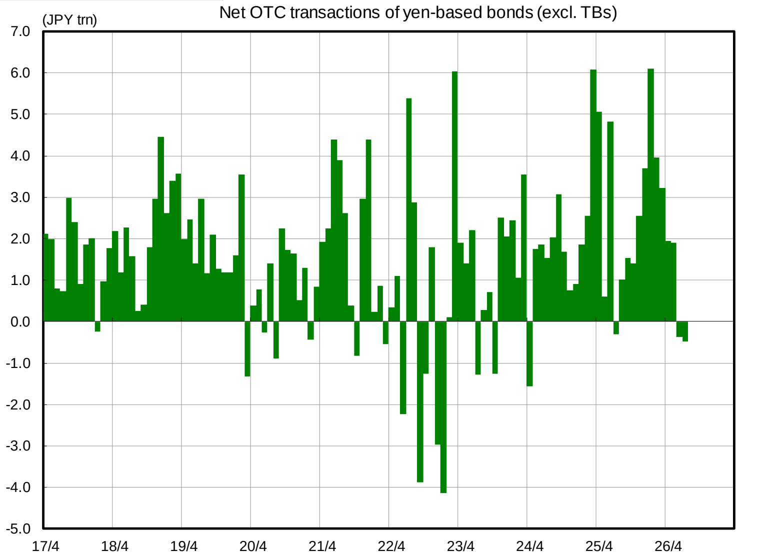


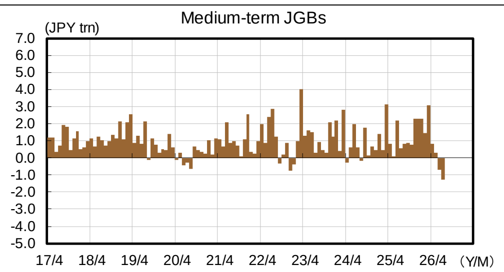


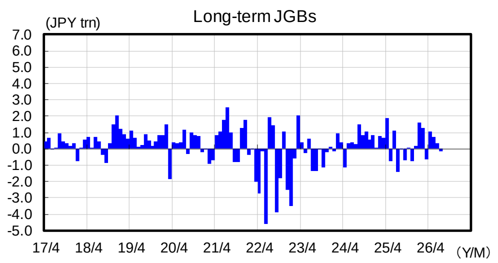
(JPY bn)

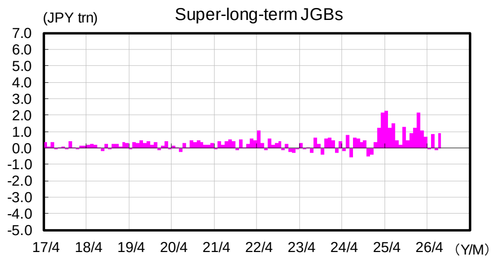
Total	+322.6 billion, 5th straight month of net buying	buying	1,612.7
		selling	1,290.1
JGBs : Medium term	+18.6 billion, 9th straight month of net buying	buying	142.2
		selling	123.6
Long term	+55.9 billion, 6th straight month of net buying	buying	129.1
		selling	73.2
Super-long	+322.6 billion, 2nd straight month of net buying	buying	1,238.5
		selling	915.9

Non-residents









(JPY bn)

Total	- 470.5 billion, 2nd straight month of net selling	buying	27,513.1
		selling	27,983.6
JGBs : Medium term	- 1,278.8 billion, 2nd straight month of net selling	buying	11,092.9
		selling	12,371.7
Long term	- 139.5 billion, first net selling in 4 months	buying	9,180.4
		selling	9,319.9
Super-long	+889.9 billion, first net buying in 2 months	buying	7,126.0
		selling	6,236.1

Source: MUMSS, from Japan Securities Dealers Association

Appendix A

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