

Chart of the Day



Government Bond Liquidity Worsening

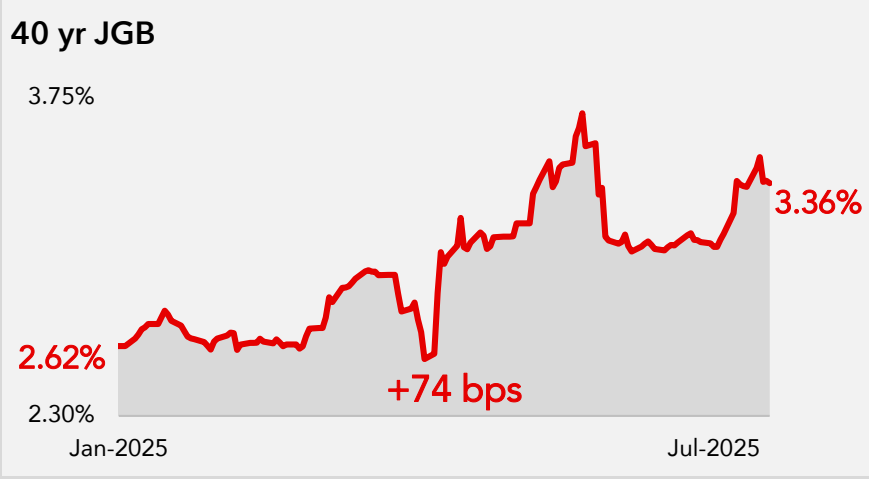
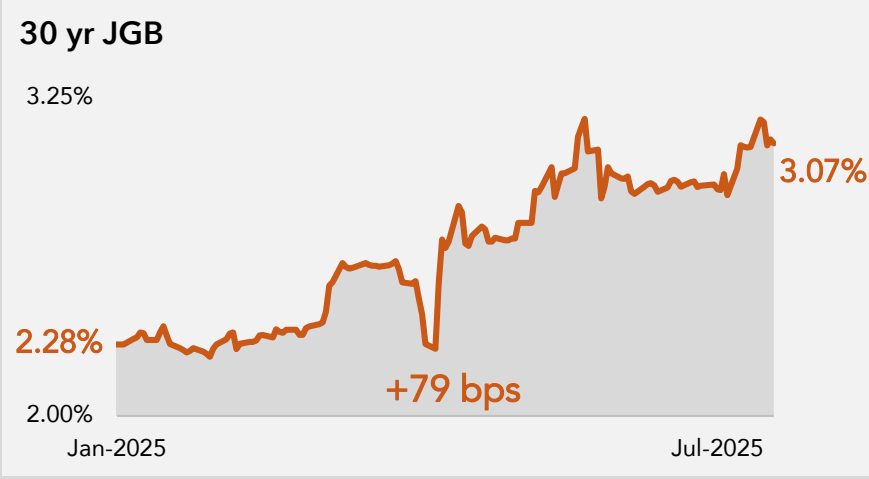
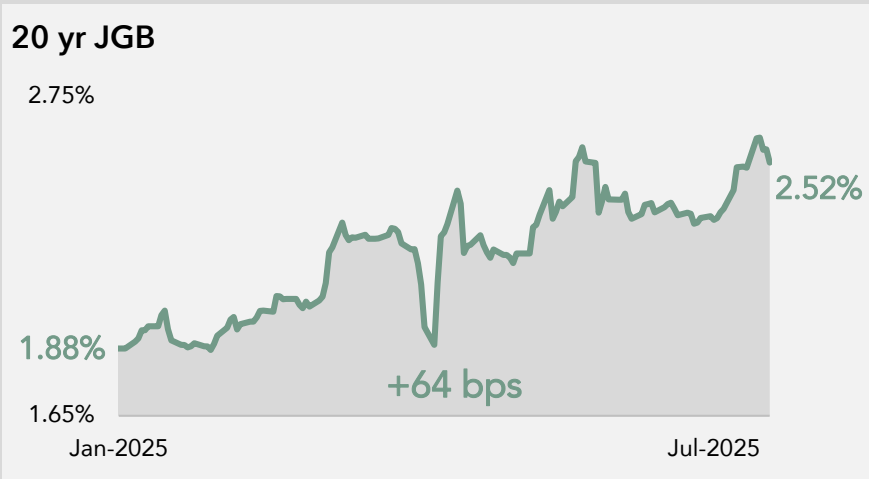
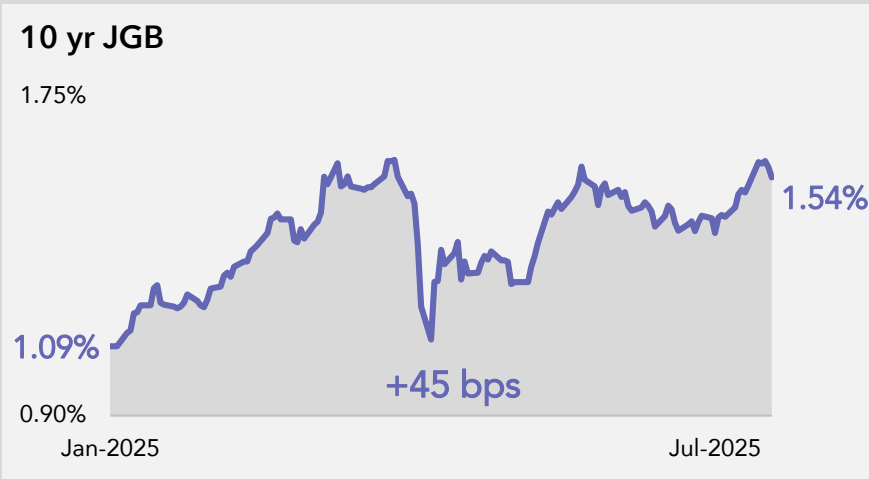
Increased concerns around inflation, fiscal spending and government bond markets have become evident in UST and JGB volatility and liquidity metrics. While Japan’s July 20th election has been a near term concern, rising government debt across Japan, the US, Europe and UK has become a focus for investors.

Government securities liquidity indices



Long-End JGB Yields Under Pressure

Long-end JGB yields have risen sharply in 2025 on thin liquidity, July 20th election uncertainty and related concerns about Japanese debt and deficits.



Source: (1-6) Bloomberg. Data as of July 18, 2025.

Global Corporate & Investment Banking Capital Markets Strategy Team



Tom Joyce
Managing Director
Tom.Joyce@mufgsecurities.com
(212) 405-7472



Stephanie Kendal
Vice President
Stephanie.Kendal@mufgsecurities.com
(212) 405-7443



Angela Sun
Associate
Angela.Sun@mufgsecurities.com
(212) 405-6952

“Macro stability isn’t everything, but without it, you have nothing.”