

Macro Roundup Article

Headline: [The Disappearing Japanese Bid for Global Bonds](#)

Article Link: <https://www.cfr.org/blog/disappearing-japanese-bid-global-bonds>

Author(s)	Brad Setser and Alex Etra
Publication	Council on Foreign Relations
Publication Date	January 17, 2023

Tweet: [@Brad_Setser and @EtraAlex note Japanese investors are withdrawing from global debt markets, selling \\$200B of debt in 2022 relative to buying a mean of \\$100B a year over the previous decade.](#)

Summary: The global economy has already adjusted to a slowdown in Japanese institutional fixed-income demand—Japanese investors have gone from buying about \$100 billion a year of foreign bonds on average over the last ten years to selling close to \$200 billion in 2022. The most likely outcome in 2023 is a continuation of the roll down in Japanese holdings of foreign bonds observed in 2022, as the large pool of hedged Japanese investors allow maturing bonds to roll off at par rather than reinvest abroad. That more mundane reality still implies the large flow into global fixed income from Japanese institutional investors over the last decade will dwindle to a relative trickle.

Related Articles: nan

Primary Topic: Savings Glut/Trade Deficit

Topics: Data, Factoid, Financial Markets, GDP, Op-Ed/Blog Post, Savings Glut/Trade Deficit, Sell-by Date, Weekly

Permalink: https://www.edwardconard.com/macro-roundup/brad_setser-and-etraalex-note-japanese-investors-are-withdrawing-from-global-debt-markets-selling-200b-of-debt-in-2022-relative-to-buying-a-mean-of-100b-a-year-over-the-previous-decade?view=detail

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/01/Japan-Debt-Holdings.jpg>