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The Intraday Liquidity of the Japanese Government Bond Futures

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Abstract

We investigate the intraday liquidity of the Japanese government bond (JGB) futures. First, introducing the liquidity indicators frequently used in the other studies, we overview their movements during this decade. Second, using the data since the current trade time has been effective, we extract their intraday pattern and the autocorrelation. Third, we find that the macro announcement shocks do have temporary effect on these indicators. Fourth, we show that the liquidity indicators become more persistent in specific periods than in the other periods, and the increased persistence remains in some liquidity indicators after these periods.

Keywords: Japanese government bond (JGB); market liquidity; liquidity indicator; transaction data

JEL classification: C32, G12, G14

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