Securitization Market Trends Survey Report
(Issuance Trends in the Second Half of Fiscal 2018)

This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <http://www.jsda.or.jp/en/index.html>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for the second half of fiscal 2018, the period from October 1, 2018 to March 31, 2019.

In addition, please refer to an attached sheet for the numerical data used in a chart.

I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the second half of fiscal 2018, the amount increased year-on-year. The total issuance amount was ¥2,624.2 billion, increasing 17.6% from the second half of fiscal 2017, while the number of issues was 83, up 3.8% year-on-year. (see Chart 1).

Reference: The total issuance amount of corporate straight bonds during the second half of fiscal 2018 was ¥4,803.6 billion (provisional figure).

Chart 1. Securitization Product Issuance Amount and Number of Issues
II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the second half of fiscal 2018 by underlying assets, the amount of “RMBS,” “CDO,” “Leases,” “Consumer loans,” and “Others” increased, whereas in contrast, “Sales receivables/Commercial bills” decreased. (see Chart 2).

Chart 2. Securitization Product Issuance Amount by Underlying Assets

* YoY change in “CMBS” and “Leases” is shown as “—” because there were no issues in the same period last year.
III. Issuance Trends by Product Type

Looking at the securitization product issuance amount (¥2,624.2 billion) by product type, the amount of “Trust beneficiary rights” was ¥1,402.1 billion (53.4% of the total), followed by “Bonds” with ¥1,039.2 billion (39.6%) (see Chart 3).

Chart 3. Securitization Product Issuance Amount by Product Type

IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥2,624.2 billion) by repayment method, the amount of “Pass-through repayments” was ¥2,277.8 billion (86.8 % of the total) (see Chart 4).

Chart 4. Securitization Product Issuance Amount by Repayment Method
V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥2,624.2 billion) by planned/average term to maturity, the most popular term, except for “Not noted”, was “1 year to 3 years” with ¥80.9 billion (3.1% of the total) (see Chart 5).

Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity

VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥2,624.2 billion) by credit rating, the amount of “AAA” was ¥2,277.5 billion (86.8% of the total) (see Chart 6).

Chart 6. Securitization Product Issuance Amount by Credit Rating
(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥1,508.6 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥949.9 billion (63.0% of the total), followed by “Commercial /trust banks” with ¥321.3 billion (21.3%) and “Others” with ¥237.4 billion (15.7%) (see Chart i).

Note: A breakdown of “Others” is provided the Appendix. (FY2012 1st Half) and later.

(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥1,508.6 billion) by product type, the amount of “Bonds” was ¥949.9 billion (63.0% of the total), followed by “Trust beneficiary rights” with ¥507.2 billion (33.6%) (see Chart ii).
(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥1,508.6 billion) by repayment method, all repayments were “Pass-through repayments” (see Chart iii).

Chart iii. RMBS Issuance Amount by Repayment Method

(iv) Launch Spread at Issuance (Japan Housing Finance Agency MBS)¹

The launch spread for “JHF Monthly MBS” remained flat (see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread

¹ The “Monthly” Launch Spread refers to the spread between the coupon rate of JHF Monthly MBS and yield of the most recently priced 10-year reference JGB.

The “Series T” Launch Spread refers to the spread between the coupon rate of JHF Series T MBS and yield of the most recently priced 5-year reference JGB.

The “Series T” category was added to the data as of the first half of FY 2018.