

## Thailand

Thailand's local currency (LCY) bond market registered positive growth in the fourth quarter (Q4) of 2015, with the outstanding stock of Thai LCY bonds expanding 2.5% quarter-on-quarter (q-o-q) and 8.1% year-on-year (y-o-y) to reach THB10,012 billion at the end of 2015. The LCY government bond market posted growth of 2.5% q-o-q and 7.8% y-o-y in Q4 2015, leveling off at THB7,494 billion at the end of the year, while LCY corporate bonds outstanding climbed 2.5% q-o-q and 9.0% y-o-y to reach THB2,517 billion.

Table 1: Size and Composition of the LCY Bond Market in Thailand

|  | Outstanding Amount (billion) |     |         |     |         |     | Growth Rate (%) |        |         |       |
|--|------------------------------|-----|---------|-----|---------|-----|-----------------|--------|---------|-------|
|  | Q4 2014                      |     | Q3 2015 |     | Q4 2015 |     | Q4 2014         |        | Q4 2015 |       |
|  | THB                          | USD | THB     | USD | THB     | USD | q-o-q           | y-o-y  | q-o-q   | y-o-y |
| <b>Total</b>                           | 9,258                        | 281 | 9,769   | 269 | 10,012  | 278 | 0.9             | 2.9    | 2.5     | 8.1   |
| <b>Government</b>                      | 6,949                        | 211 | 7,312   | 201 | 7,494   | 208 | 0.5             | (0.6)  | 2.5     | 7.8   |
| Government Bonds and Treasury Bills    | 3,413                        | 104 | 3,698   | 102 | 3,888   | 108 | (1.2)           | (0.03) | 5.1     | 13.9  |
| Central Bank Bonds                     | 2,743                        | 83  | 2,862   | 79  | 2,823   | 78  | 1.6             | (3.5)  | (1.4)   | 2.9   |
| State-Owned Enterprise and Other Bonds | 793                          | 24  | 752     | 21  | 782     | 22  | 4.0             | 8.4    | 4.1     | (1.4) |
| <b>Corporate</b>                       | 2,309                        | 70  | 2,456   | 68  | 2,517   | 70  | 2.4             | 15.0   | 2.5     | 9.0   |

(-) = negative, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg end-of-period LCY-USD rates are used.
3. Growth rates are calculated from an LCY base and do not include currency effects.

Sources: Bank of Thailand.

Issuance of LCY government bonds in Q4 2015 slipped 2.6% q-o-q but was up 21.3% y-o-y, while LCY corporate bond issuance was down 12.0% q-o-q and 12.8% y-o-y. The five largest LCY corporate bond issues in Thailand during Q4 2015 were made by a cement company, two telecommunications firms, and a bank.

Table 2: Notable LCY Corporate Bond Issuance in Q4 2015

| Corporate Issuers                 | Coupon Rate (%) | Issued Amount (THB billion) |
|-----------------------------------|-----------------|-----------------------------|
| True Move H Universal Corporation |                 |                             |
| 1-year bond                       | 2.60            | 9.00                        |
| 3-year bond                       | 4.20            | 8.40                        |
| True Corporation                  |                 |                             |
| 1-year bond                       | 3.00            | 8.00                        |
| 7-year bond                       | 4.11            | 8.33                        |
| Siam Cement                       |                 |                             |
| 4-year bond                       | 3.40            | 10.00                       |
| Kasikorn Bank                     |                 |                             |
| 11-year bond                      | 3.95            | 6.50                        |

LCY = local currency, Q4 = fourth quarter.

Source: Bloomberg LP.

The combined outstanding bonds of the top 30 Thai corporate issuers amounted to THB1,427 billion at the end of 2015, representing 57% of the total outstanding stock of Thai LCY corporate bonds. CP All, PTT, and Siam Cement remained the three largest Thai corporate bond issuers.

Table 3: Top 30 Issuers of LCY Corporate Bonds in Thailand

|  | Issuers                                | Outstanding Amount      |                         | State-Owned | Listed Company | Type of Industry             |
|--|--|-------------------------|-------------------------|-------------|----------------|------------------------------|
|  |  | LCY Bonds (THB billion) | LCY Bonds (USD billion) |             |                |                              |
| 1.                                       | CP All                                 | 173.0                   | 4.8                     | No          | Yes            | Commerce                     |
| 2.                                       | PTT                                    | 170.5                   | 4.7                     | Yes         | Yes            | Energy and Utilities         |
| 3.                                       | The Siam Cement                        | 166.5                   | 4.6                     | Yes         | Yes            | Construction Materials       |
| 4.                                       | Charoen Pokphand Foods                 | 77.0                    | 2.1                     | No          | Yes            | Food and Beverage            |
| 5.                                       | Thai Airways International             | 56.6                    | 1.6                     | Yes         | Yes            | Transportation and Logistics |
| 6.                                       | Bank of Ayudhya                        | 50.8                    | 1.4                     | No          | Yes            | Banking                      |
| 7.                                       | True Corporation                       | 45.3                    | 1.3                     | No          | Yes            | Communications               |
| 8.                                       | Indorama Ventures                      | 45.3                    | 1.3                     | No          | Yes            | Petrochemicals and Chemicals |
| 9.                                       | Kasikorn Bank                          | 42.5                    | 1.2                     | No          | Yes            | Banking                      |
| 10.                                      | The Siam Commercial Bank               | 40.0                    | 1.1                     | No          | Yes            | Banking                      |
| 11.                                      | Banpu                                  | 39.4                    | 1.1                     | No          | Yes            | Energy and Utilities         |
| 12.                                      | Mitr Phol Sugar                        | 38.4                    | 1.1                     | No          | No             | Food and Beverage            |
| 13.                                      | True Move H Universal Communication    | 34.0                    | 0.9                     | No          | No             | Communications               |
| 14.                                      | Toyota Leasing Thailand                | 33.3                    | 0.9                     | No          | No             | Finance and Securities       |
| 15.                                      | Thanachart Bank                        | 32.5                    | 0.9                     | No          | No             | Banking                      |
| 16.                                      | PTT Exploration and Production Company | 32.1                    | 0.9                     | Yes         | Yes            | Energy and Utilities         |
| 17.                                      | Tisco Bank                             | 31.1                    | 0.9                     | No          | No             | Banking                      |
| 18.                                      | TPI Polene                             | 29.6                    | 0.8                     | No          | Yes            | Property and Construction    |
| 19.                                      | Krung Thai Card                        | 29.2                    | 0.8                     | Yes         | Yes            | Finance and Securities       |
| 20.                                      | Thai Oil                               | 28.0                    | 0.8                     | Yes         | Yes            | Energy and Utilities         |
| 21.                                      | TMB Bank                               | 25.4                    | 0.7                     | No          | Yes            | Banking                      |
| 22.                                      | Land & Houses                          | 25.0                    | 0.7                     | No          | Yes            | Property and Construction    |
| 23.                                      | Quality Houses                         | 24.9                    | 0.7                     | No          | Yes            | Property and Construction    |
| 24.                                      | CH. Karnchang                          | 23.5                    | 0.7                     | No          | Yes            | Property and Construction    |
| 25.                                      | Kiatnakin Bank                         | 22.8                    | 0.6                     | No          | Yes            | Banking                      |
| 26.                                      | IRPC                                   | 22.6                    | 0.6                     | Yes         | Yes            | Energy and Utilities         |
| 27.                                      | ICBC Thai Leasing                      | 22.1                    | 0.6                     | No          | No             | Finance and Securities       |
| 28.                                      | Minor International                    | 21.8                    | 0.6                     | No          | Yes            | Food and Beverage            |
| 29.                                      | Krung Thai Bank                        | 21.7                    | 0.6                     | Yes         | Yes            | Banking                      |
| 30.                                      | Glow Energy                            | 21.6                    | 0.6                     | No          | Yes            | Energy and Utilities         |
| Total Top 30 LCY Corporate Issuers       |  | 1,426.6                 | 39.6                    |             |                |                              |
| Total LCY Corporate Bonds                |  | 2,517.3                 | 69.9                    |             |                |                              |
| Top 30 as % of Total LCY Corporate Bonds |  | 56.7%                   | 56.7%                   |             |                |                              |

LCY = local currency.

Notes:

1. Data as of end-December 2015.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg data.