

Thailand

Thailand's local currency (LCY) bond market had a total value of THB10,856 billion (USD303 billion) at the end of December 2016, reflecting an expansion of 2.5% quarter-on-quarter and 8.4% year-on-year. The rise mainly came from relatively strong growth in corporate bonds and central bank bonds.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2015		Q3 2016		Q4 2016		Q4 2015		Q4 2016	
	THB	USD	THB	USD	THB	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	10,012	278	10,593	306	10,856	303	2.5	8.1	2.5	8.4
Government	7,494	208	7,819	226	7,938	222	2.5	7.8	1.5	5.9
Government Bonds and Treasury Bills	3,888	108	4,035	117	4,036	113	5.1	13.9	0.03	3.8
Central Bank Bonds	2,823	78	2,961	86	3,136	88	(1.4)	2.9	5.9	11.1
State-Owned Enterprise and Other Bonds	782	22	822	24	765	21	4.1	(1.4)	(6.9)	(2.2)
Corporate	2,517	70	2,775	80	2,919	81	2.5	9.0	5.2	16.0

(-) = negative, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, THB = Thai baht, USD = United States dollar, 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 and Bloomberg LP.

Newly issued LCY corporate bonds amounted to THB502.5 billion in Q4 2016, an increase from THB469.6 billion in Q3 2016. The five largest LCY corporate bond issues came from various industry groups encompassing food and beverages, cement production, communications, transportation, and banking.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2016

Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)
Berli Jucker			Bangkok Mass Transit System		
3.5-year bond	2.71	17,920	3-year bond	2.46	5,500
5-year bond	3.06	3,050	5-year bond	2.85	2,200
7-year bond	3.77	2,100	7-year bond	3.30	4,100
9-year bond	4.09	1,200	10-year bond	3.87	10,200
10-year bond	4.27	3,720	Bank of Ayudhya		
Siam Cement			2-year bond	1.94	9,000
4-year bond	3.00	25,000	3-year bond	2.09	6,000
True Move H Universal Communication					
5-year bond	4.50	10,975			
7-year bond	5.00	4,545			
10-year bond	5.50	7,480			

THB = Thai baht.

Source: Bloomberg LP.

The LCY bonds outstanding of Thailand's top 30 corporate issuers had a combined total of THB1,628.9 billion at the end of December 2016, constituting 55.8% of the total LCY corporate bond stock. CP All was the top corporate issuer in 2016.

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	198.0	5.5	No	Yes	Commerce
2.	Siam Cement	166.5	4.6	Yes	Yes	Construction Materials
3.	PTT	137.4	3.8	Yes	Yes	Energy and Utilities
4.	Bank of Ayudhya	92.3	2.6	No	Yes	Banking
5.	Charoen Pokphand Foods	85.0	2.4	No	Yes	Food and Beverage
6.	Berli Jucker	82.0	2.3	No	Yes	Food and Beverage
7.	Thai Airways International	59.3	1.7	Yes	Yes	Transportation and Logistics
8.	Kasikorn Bank	50.0	1.4	No	Yes	Banking
9.	Tisco Bank	49.5	1.4	No	No	Banking
10.	Indorama Ventures	47.4	1.3	No	Yes	Petrochemicals and Chemicals
11.	Krungthai Card	46.5	1.3	Yes	Yes	Banking
12.	True Move H Universal Communication	43.0	1.2	No	No	Communications
13.	Banpu	41.3	1.2	No	Yes	Energy and Utilities
14.	Toyota Leasing Thailand	40.9	1.1	No	No	Finance and Securities
15.	The Siam Commercial Bank	40.0	1.1	No	Yes	Banking
16.	Mitr Phol Sugar	37.9	1.1	No	No	Food and Beverage
17.	Land & Houses	36.3	1.0	No	Yes	Property and Construction
18.	CPF Thailand	32.6	0.9	No	Yes	Food and Beverage
19.	Thanachart Bank	32.5	0.9	No	No	Banking
20.	PTT Exploration and Production Company	32.1	0.9	Yes	Yes	Energy and Utilities
21.	TPI Polene	32.0	0.9	No	Yes	Property and Construction
22.	Advanced Wireless	31.6	0.9	No	Yes	Communications
23.	True Corp	31.2	0.9	No	Yes	Communications
24.	CH. Karnchang	29.0	0.8	No	Yes	Property and Construction
25.	Thai Oil	28.0	0.8	Yes	Yes	Energy and Utilities
26.	Thai Union Group	26.3	0.7	No	Yes	Food and Beverage
27.	Minor International	25.8	0.7	No	Yes	Food and Beverage
28.	TMB Bank	25.4	0.7	No	Yes	Banking
29.	Glow Energy	24.6	0.7	No	Yes	Energy and Utilities
30.	Quality Houses	24.5	0.7	No	Yes	Property and Construction
Total Top 30 LCY Corporate Issuers		1,628.9	45.5			
Total LCY Corporate Bonds		2,918.9	81.5			
Top 30 as % of Total LCY Corporate Bonds		55.8%	55.8%			

LCY = local currency, THB = Thai baht, USD = United States dollar.

Notes:

1. Data as of end-December 2016.

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 LP data.