

Thailand

Thailand's local currency (LCY) bonds grew 2.2% quarter-on-quarter (q-o-q) in the fourth quarter (Q4) of 2017, reaching THB11,279 billion (USD346 billion) at the end of December, mainly driven by growth in government bonds. Outstanding government bonds grew 2.7% q-o-q, with central bank bonds posting the highest growth rate at 5.3% q-o-q. On a year-on-year basis, Thailand's LCY bond market grew 3.9% in Q4 2017.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2016		Q3 2017		Q4 2017		Q4 2016		Q4 2017	
	THB	USD	THB	USD	THB	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	10,856	303	11,034	331	11,279	346	2.5	8.4	2.2	3.9
Government	7,938	222	7,981	240	8,196	252	1.5	5.9	2.7	3.3
Government Bonds and Treasury Bills	4,036	113	4,295	129	4,334	133	0.0	3.8	0.9	7.4
Central Bank Bonds	3,136	88	2,887	87	3,042	93	5.9	11.1	5.3	(3.0)
State-Owned Enterprise and Other Bonds	765	21	798	24	820	25	(6.9)	(2.2)	2.6	7.1
Corporate	2,919	81	3,053	92	3,083	95	5.2	16.0	1.0	5.6

(-) = 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 THB449 billion in Q4 2017, up from THB342 billion in the previous quarter. Except for Siam Cement, all other new issuers were mostly banks and financial institutions.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2017

Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)
Siam Cement		
4-year bond	3.05	25,000
Bank Ayudhya		
3-year bond	1.85	10,000
10-year bond	3.40	14,978
Krung Thai Bank		
10-year bond	3.40	20,000
CP All		
5-year bond	3.10	9,000
10-year bond	3.50	9,000
Toyota Leasing Thailand		
3-year bond	1.96	1,300
4-year bond	2.02	3,000
5-year bond	2.37	3,000
5-year bond	2.20	3,000
7-year bond	2.61	3,500

THB = Thai baht.
Source: Bloomberg LP.

LCY bonds outstanding for the top 30 corporate bond issuers in Thailand amounted to THB1,724.4 billion at the end of December, constituting 55.9% of the total LCY corporate bond stock. CP All remained the top issuer with THB181.8 billion of bonds outstanding at the end of December. The top 30 issuers mostly came from the banking industry, energy and utilities, and property and construction.

Table 3: Top 30 Issuers of Local Currency 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	181.8	5.6	No	Yes	Commerce
2.	Siam Cement	181.5	5.6	Yes	Yes	Construction Materials
3.	PTT	129.3	4.0	Yes	Yes	Energy and Utilities
4.	Berli Jucker	122.0	3.7	No	Yes	Food and Beverage
5.	Bank of Ayudhya	112.0	3.4	No	Yes	Banking
6.	Charoen Pokphand Foods	88.0	2.7	No	Yes	Food and Beverage
7.	True Move H Universal Communication	68.2	2.1	No	No	Communications
8.	Thai Airways International	62.1	1.9	Yes	Yes	Transportation and Logistics
9.	Toyota Leasing Thailand	59.3	1.8	No	No	Finance and Securities
10.	Tisco Bank	51.9	1.6	No	No	Banking
11.	Indorama Ventures	51.4	1.6	No	Yes	Petrochemicals and Chemicals
12.	Banpu	47.3	1.5	No	Yes	Energy and Utilities
13.	Krungthai Card	43.4	1.3	Yes	Yes	Banking
14.	Land and Houses	41.3	1.3	No	Yes	Property and Construction
15.	Advanced Wireless	40.2	1.2	No	Yes	Communications
16.	Mitr Phol Sugar	34.9	1.1	No	No	Food and Beverage
17.	Thai Union Group	33.8	1.0	No	Yes	Food and Beverage
18.	TPI Polene	33.0	1.0	No	Yes	Property and Construction
19.	PTT Exploration and Production Company	32.1	1.0	Yes	Yes	Energy and Utilities
20.	True Corporation	31.6	1.0	No	Yes	Communications
21.	DTAC Trinet	31.5	1.0	No	Yes	Communications
22.	Bangkok Commercial Asset Management	30.8	0.9	No	No	Finance and Securities
23.	CPF Thailand	29.0	0.9	No	Yes	Food and Beverage
24.	CH. Karnchang	28.5	0.9	No	Yes	Property and Construction
25.	Thanachart Bank	28.5	0.9	No	No	Banking
26.	Bangkok Expressway and Metro	28.2	0.9	No	Yes	Transportation and Logistics
27.	Bangkok Dusit Medical Services	28.0	0.9	No	Yes	Medical
28.	Kasikorn Bank	28.0	0.9	No	Yes	Banking
29.	Minor International	23.5	0.7	No	Yes	Food and Beverage
30.	Quality Houses	23.5	0.7	No	Yes	Property and Construction
Total Top 30 LCY Corporate Issuers		1,724.4	52.9			
Total LCY Corporate Bonds		3,083.1	94.6			
Top 30 as % of Total LCY Corporate Bonds		55.9%	55.9%			

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

Notes:

1. Data as of end-December 2017.

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.