

Thailand

Total local currency (LCY) bonds outstanding in Thailand increased 2.5% quarter-on-quarter (q-o-q) and 10.3% year-on-year (y-o-y), reaching THB12,445 billion (USD385 billion) at the end of the fourth quarter (Q4) of 2018. The government and corporate sectors both posted quarterly increases, with the former expanding a more rapid 3.3% q-o-q compared with the latter's marginal increase of 0.5% q-o-q. On an annual basis, the government sector posted 9.6% growth and the corporate sector posted 12.2% growth. Government bonds comprised 72.2% of total LCY bonds outstanding at the end of December and corporate bonds comprised 27.8%.

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

| | Outstanding Amount (billion) | | | | | | Growth Rate (%) | | | |
|--|------------------------------|-----|---------|-----|---------|-----|-----------------|-------|---------|-------|
| | Q4 2017 | | Q3 2018 | | Q4 2018 | | Q4 2017 | | Q4 2018 | |
| | THB | USD | THB | USD | THB | USD | q-o-q | y-o-y | q-o-q | y-o-y |
| Total | 11,279 | 346 | 12,141 | 376 | 12,445 | 385 | 2.2 | 3.9 | 2.5 | 10.3 |
| Government | 8,196 | 252 | 8,699 | 269 | 8,986 | 278 | 2.7 | 3.3 | 3.3 | 9.6 |
| Government Bonds and Treasury Bills | 4,334 | 133 | 4,614 | 143 | 4,738 | 147 | 0.9 | 7.4 | 2.7 | 9.3 |
| Central Bank Bonds | 3,042 | 93 | 3,322 | 103 | 3,477 | 108 | 5.3 | (3.0) | 4.6 | 14.3 |
| State-Owned Enterprise and Other Bonds | 820 | 25 | 762 | 24 | 771 | 24 | 2.6 | 7.1 | 1.2 | (5.9) |
| Corporate | 3,083 | 95 | 3,442 | 106 | 3,459 | 107 | 1.0 | 5.6 | 0.5 | 12.2 |

(-) = 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.

Corporate debt sales in the LCY bond market in Q4 2018 amounted to THB356 billion, reflecting a decline of 22.2% from the third quarter. The financial sector had the largest share of newly issued bonds in Q4 2018. Table 2 presents the notable issuances during the quarter.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2018

| Corporate Issuers | Coupon Rate (%) | Issued Amount (THB billion) |
|-------------------------|-----------------|-----------------------------|
| Charoen Pokphand Foods | | |
| 2-year bond | 2.74 | 6,700 |
| 4-year bond | 3.20 | 7,600 |
| 6-year bond | 3.79 | 2,200 |
| 10-year bond | 4.41 | 3,200 |
| 12-year bond | 4.66 | 5,300 |
| Toyota Leasing Thailand | | |
| 2-year bond | 2.08 | 3,000 |
| 2-year bond | 2.44 | 2,800 |
| 3-year bond | 2.31 | 1,100 |
| 3-year bond | 2.64 | 1,400 |
| 3-year bond | 2.51 | 1,900 |
| Siam Cement | | |
| 4-year bond | 3.10 | 10,000 |

THB = Thai baht.

Source: Bloomberg LP.

The aggregate LCY bonds outstanding of the top 30 corporate issuers in Thailand amounted to THB1,869 billion at the end of December, comprising 54.0% of the LCY corporate bond market. Food and beverage firms had the largest share of outstanding corporate bonds with an aggregate amount of THB478 billion.

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. | Siam Cement | 181.5 | 5.6 | Yes | Yes | Construction Materials |
| 2. | CP All | 160.9 | 5.0 | No | Yes | Commerce |
| 3. | Thai Beverage | 127.0 | 3.9 | No | No | Food and Beverage |
| 4. | Berli Jucker | 122.0 | 3.8 | No | Yes | Food and Beverage |
| 5. | Bank of Ayudhya | 116.0 | 3.6 | No | Yes | Banking |
| 6. | PTT | 110.7 | 3.4 | Yes | Yes | Energy and Utilities |
| 7. | Charoen Pokphand Foods | 109.5 | 3.4 | No | Yes | Food and Beverage |
| 8. | Toyota Leasing Thailand | 76.7 | 2.4 | No | No | Finance and Securities |
| 9. | Indorama Ventures | 66.2 | 2.0 | No | Yes | Petrochemicals and Chemicals |
| 10. | Thai Airways International | 64.9 | 2.0 | Yes | Yes | Transportation and Logistics |
| 11. | True Move H Universal Communication | 56.0 | 1.7 | No | No | Communications |
| 12. | Tisco Bank | 49.7 | 1.5 | No | No | Banking |
| 13. | Krungthai Card | 45.3 | 1.4 | Yes | Yes | Banking |
| 14. | CPF Thailand | 44.0 | 1.4 | No | Yes | Food and Beverage |
| 15. | Mitr Phol Sugar | 42.2 | 1.3 | No | No | Food and Beverage |
| 16. | Banpu | 41.8 | 1.3 | No | Yes | Energy and Utilities |
| 17. | Land & Houses | 40.5 | 1.3 | No | Yes | Property and Construction |
| 18. | Advanced Wireless | 40.2 | 1.2 | No | Yes | Communications |
| 19. | Bangkok Expressway and Metro | 38.2 | 1.2 | No | Yes | Transportation and Logistics |
| 20. | Minor International | 37.5 | 1.2 | No | Yes | Hospitality and Leisure |
| 21. | TPI Polene | 36.0 | 1.1 | No | Yes | Property and Construction |
| 22. | Thai Union Group | 33.8 | 1.0 | No | Yes | Food and Beverage |
| 23. | Bangkok Commercial Asset Management | 32.2 | 1.0 | No | No | Finance and Securities |
| 24. | PTT Exploration and Production Company | 29.6 | 0.9 | Yes | Yes | Energy and Utilities |
| 25. | CH. Karnchang | 29.6 | 0.9 | No | Yes | Property and Construction |
| 26. | DTAC Trinet | 29.5 | 0.9 | No | Yes | Communications |
| 27. | Krungsriyudhya Card | 28.7 | 0.9 | No | Yes | Banking |
| 28. | Kasikorn Bank | 28.0 | 0.9 | No | Yes | Banking |
| 29. | True Corp | 25.8 | 0.8 | No | Yes | Communications |
| 30. | Bangchak Corporation | 25.0 | 0.8 | No | Yes | Energy and Utilities |
| Total Top 30 LCY Corporate Issuers | | 1,868.6 | 57.8 | | | |
| Total LCY Corporate Bonds | | 3,459.1 | 107.0 | | | |
| Top 30 as % of Total LCY Corporate Bonds | | 54.0% | 54.0% | | | |

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

Notes:

1. Data as of end-December 2018.

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.