

Thailand

Total local currency (LCY) bonds outstanding in Thailand rose 2.2% quarter-on-quarter (q-o-q) and 6.4% year-on-year (y-o-y), reaching THB13,236.3 billion (USD445.6 billion) at the end of the fourth quarter (Q4) of 2019. Both the government and corporate segments posted stronger q-o-q growth in Q4 2019 than in the previous quarter. The 2.5% q-o-q growth in government bonds outstanding in Q4 2019 reversed the 1.1% q-o-q decline posted in the previous quarter. All components of the government bond sector posted positive q-o-q growth, with state-owned enterprise bonds and other bonds expanding the most at 4.7% q-o-q. Government bonds comprised 71.4% of total LCY bonds outstanding at the end of December 2019. The expansion of LCY corporate bonds outstanding accelerated to 1.6% q-o-q in Q4 2019 from 0.2% q-o-q in the previous quarter.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2018		Q3 2019		Q4 2019		Q4 2018		Q4 2019	
	THB	USD	THB	USD	THB	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	12,445	385	12,946	423	13,236	446	2.5	10.3	2.2	6.4
Government	8,986	278	9,220	301	9,451	318	3.3	9.6	2.5	5.2
Government Bonds and Treasury Bills	4,738	147	4,827	158	4,940	166	2.7	9.3	2.3	4.3
Central Bank Bonds	3,477	108	3,636	119	3,718	125	4.6	14.3	2.3	6.9
State-Owned Enterprise and Other Bonds	771	24	757	25	793	27	1.2	(5.9)	4.7	2.8
Corporate	3,459	107	3,726	122	3,786	127	0.5	12.2	1.6	9.4

(-) = 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.

Source: Bank of Thailand.

Table 2 shows the notable corporate bond issuances in Q4 2019. Global Power Synergy, an energy and utilities firm, was the largest issuer with total issuance amounting to THB35.0 billion from six tranches of bonds with tenors ranging from 3 years to 15 years and carrying coupons ranging from 1.97% to 3.25%. The quarter saw four issuances of perpetual corporate bonds, all with a 5.0% coupon. From their issuances of perpetual bonds, Indorama Ventures, Thai Union Group, Bangchak, and B Grimm Power raised THB15.0 billion, THB6.0 billion, THB10.0 billion, and THB8.0, respectively.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2019

Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)
Global Power Synergy			Thai Union Group		
3-year bonds	1.97	2.0	7-year bonds	2.78	2.0
5-year bonds	2.24	5.0	10-year bonds	3.00	4.0
7-year bonds	2.52	6.0	Perpetual bonds	5.00	6.0
10-year bonds	2.86	8.0	Bank of Ayudhya		
12-year bonds	3.15	7.5	2-year bonds	1.72	7.0
15-year bonds	3.25	6.5	3-year bonds	1.80	5.0
True Move H Universal Communications			Siam Cement		
3-year bonds	3.50	6.8	4-year bonds	3.00	10.0
4.25-year bonds	4.10	4.2	Bangchak		
5.5-year bonds	4.70	18.5	Perpetual bonds	5.00	10.0
Indorama Ventures			B Grimm Power		
Perpetual bonds	5.00	15.0	Perpetual bonds	5.00	8.0

THB = Thai baht.

Source: Bloomberg LP.

The aggregate LCY bonds outstanding of the top 30 corporate issuers in Thailand amounted to THB2,135.5 billion at the end of December, comprising 56.4% of the LCY corporate bond market. Food and beverage firms held the largest share of outstanding corporate bonds with an aggregate amount of THB416.9 billion. A majority of the firms among the top 30 were listed on the Stock Exchange of Thailand, while only five were state-owned. Thai Beverage topped the list with THB180.0 billion of LCY corporate bonds outstanding.

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.	Thai Beverage	180.0	6.1	No	No	Food and Beverage
2.	Siam Cement	175.0	5.9	Yes	Yes	Construction Materials
3.	CP ALL	152.9	5.1	No	Yes	Commerce
4.	Bank of Ayudhya	136.8	4.6	No	Yes	Banking
5.	True Move H Universal Communication	123.0	4.1	No	No	Communications
6.	Berli Jucker	121.8	4.1	No	Yes	Commerce
7.	Charoen Pokphand Foods	101.0	3.4	No	Yes	Food and Beverage
8.	Toyota Leasing Thailand	86.6	2.9	No	No	Finance and Securities
9.	PTT	84.7	2.9	Yes	Yes	Energy and Utilities
10.	True Corp	82.8	2.8	No	No	Communications
11.	Thai Airways International	74.1	2.5	Yes	Yes	Transportation and Logistics
12.	Minor International	66.0	2.2	No	Yes	Hospitality and Leisure
13.	Indorama Ventures	63.9	2.2	No	Yes	Petrochemicals and Chemicals
14.	CPF Thailand	61.0	2.1	No	No	Food and Beverage
15.	Banpu	48.9	1.6	No	Yes	Energy and Utilities
16.	Krungthai Card	46.2	1.6	Yes	Yes	Banking
17.	Bangkok Commercial Asset Management	45.0	1.5	No	Yes	Finance and Securities
18.	Krung Thai Bank	44.0	1.5	Yes	Yes	Banking
19.	PTT Global Chemical	42.6	1.4	No	Yes	Petrochemicals and Chemicals
20.	Global Power Synergy	40.0	1.3	No	Yes	Energy and Utilities
21.	Land & Houses	39.2	1.3	No	Yes	Property and Construction
22.	Mitr Phol Sugar Corp	38.4	1.3	No	No	Food and Beverage
23.	Bangkok Expressway and Metro	38.2	1.3	No	Yes	Transportation and Logistics
24.	TPI Polene	37.9	1.3	No	Yes	Property and Construction
25.	Thai Union Group	36.6	1.2	No	Yes	Food and Beverage
26.	TMB Bank	35.4	1.2	No	Yes	Finance and Securities
27.	Muangthai Capital	35.3	1.2	No	Yes	Finance and Securities
28.	Total Access Communication	33.0	1.1	No	Yes	Communications
29.	CH Karnchang	32.9	1.1	No	Yes	Property and Construction
30.	Advanced Info Service	32.4	1.1	No	Yes	Communications
Total Top 30 LCY Corporate Issuers		2,135.5	71.9			
Total LCY Corporate Bonds		3,785.7	127.4			
Top 30 as % of Total LCY Corporate Bonds		56.4%	56.4%			

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

Notes:

1. Data as of 31 December 2019.

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.