

## Thailand

The local currency (LCY) bond market in Thailand reached a size of THB15.6 trillion (USD451.5 billion) at the end of the fourth quarter (Q4) of 2022. Overall growth slowed to 0.8% quarter-on-quarter (q-o-q) in Q4 2022 from 2.6% q-o-q the third quarter, as the government started to roll back its pandemic-related borrowing in the new fiscal year starting in October, while higher interest rates capped corporate issuance. The Government of Thailand issued THB30.0 billion of sustainability bonds in December. Annual growth in Thailand's LCY bond market inched down to 6.1% in Q4 2022 from 6.4% in the prior quarter.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2021		Q3 2022		Q4 2022		Q4 2021		Q4 2022	
	THB	USD	THB	USD	THB	USD	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	<b>14,728</b>	<b>441</b>	<b>15,496</b>	<b>411</b>	<b>15,625</b>	<b>452</b>	<b>1.1</b>	<b>5.8</b>	<b>0.8</b>	<b>6.1</b>
Government	10,716	321	11,105	294	11,171	323	1.6	4.7	0.6	4.2
Government Bonds and Treasury Bills	6,883	206	7,603	201	7,771	225	3.0	14.3	2.2	12.9
Central Bank Bonds	2,898	87	2,522	67	2,403	69	(1.0)	(13.9)	(4.7)	(17.1)
State-Owned Enterprise and Other Bonds	936	28	980	26	997	29	(0.7)	10.6	1.7	6.6
Corporate	4,011	120	4,392	116	4,454	129	0.01	8.6	1.4	11.0

(-) = negative, 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. Bloomberg end-of-period local currency-USD rates are used.
2. Growth rates are calculated from a local currency base and do not include currency effects.

Source: Bank of Thailand.

New issuance of LCY corporate bonds amounted to THB496.3 billion in Q4 2022, down from THB556.8 billion in the preceding quarter. Issuance continued to contract, declining 10.9% q-o-q in Q4 2022 after falling 6.9% q-o-q in the third quarter amid rising borrowing costs as the Bank of Thailand continued its gradual monetary policy tightening to combat inflation. The largest issuer during the quarter was Ek-Chai Distribution System, a retail company, which raised a total of THB23.5 billion from a quadruple-tranche bond issuance.

Table 2: Notable Local Currency Corporate Bond Issuances in the Fourth Quarter of 2022

Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (THB billion)
Ek-Chai Distribution System			True Corporation		
1.5-year bond	2.81	9.8	2-year bond	3.50	4.2
3-year bond	3.25	8.5	4-year bond	4.35	2.1
5-year bond	3.55	1.2	5-year bond	4.90	3.1
7-year bond	4.00	3.9	5.8-year bond	5.05	6.5
Bank of Ayudhya			Siam Cement		
10-year bond	4.30	16.5	4-year bond	3.25	15.0
BTS Group <sup>a</sup>					
2-year bond	2.95	4.1			
2-year bond	2.95	1.6			
4.5-year bond	3.85	5.0			
4.5-year bond	3.85	1.9			
7.5-year bond	4.35	1.9			
10-year bond	4.70	1.6			

THB = Thai baht.

<sup>a</sup> Multiple issuance of the same tenor indicates issuance on different dates.

Source: Bloomberg LP.

The outstanding bonds of the top 30 nonbank corporate issuers in Thailand reached THB2,527.4 billion at the end of December, accounting for a 56.7% share of the LCY corporate bond market. CP ALL, True Corporation, and PTT remained the top issuers with outstanding bond stocks representing 5.3%, 4.2%, and 3.6%, respectively, of the Thai corporate bond market. Energy and utilities firms accounted for the most outstanding corporate bonds among all sectors, amounting to a combined THB482.9 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. CP ALL	234.1	6.8	No	Yes	Commerce
2. True Corporation	185.4	5.4	No	Yes	Communications
3. PTT	158.4	4.6	Yes	Yes	Energy and Utilities
4. Thai Beverage	142.2	4.1	No	No	Food and Beverage
5. Siam Cement	140.0	4.0	Yes	Yes	Construction Materials
6. Charoen Pokphand Foods	131.5	3.8	No	Yes	Food and Beverage
7. Berli Jucker	107.4	3.1	No	Yes	Commerce
8. Gulf Energy Development	104.5	3.0	No	Yes	Energy and Utilities
9. True Move H Universal Communication	98.6	2.8	No	No	Communications
10. CPF Thailand	89.2	2.6	No	No	Food and Beverage
11. PTT Global Chemical	86.7	2.5	No	Yes	Petrochemicals and Chemicals
12. Indorama Ventures	78.4	2.3	No	Yes	Petrochemicals and Chemicals
13. Banpu	78.4	2.3	No	Yes	Energy and Utilities
14. Bangkok Commercial Asset Management	73.1	2.1	No	Yes	Finance and Securities
15. BTS Group Holdings	72.8	2.1	No	Yes	Transportation and Logistics
16. Bank of Ayudhya	64.9	1.9	No	Yes	Banking
17. Minor International	62.4	1.8	No	Yes	Hospitality and Leisure
18. Muangthai Capital	59.9	1.7	No	Yes	Finance and Securities
19. Toyota Leasing Thailand	55.0	1.6	No	No	Finance and Securities
20. Global Power Synergy	51.5	1.5	No	Yes	Energy and Utilities
21. dtac TriNet	50.4	1.5	No	Yes	Communications
22. TPI Polene	50.3	1.5	No	Yes	Construction Materials
23. Bangchak	49.5	1.4	No	Yes	Energy and Utilities
24. Magnolia Quality Development	48.6	1.4	No	No	Property Development
25. Krungthai Card	45.7	1.3	No	Yes	Finance and Securities
26. Sansiri	45.4	1.3	No	Yes	Property Development
27. Krung Thai Bank	42.1	1.2	Yes	Yes	Banking
28. Bangkok Expressway & Metro	41.6	1.2	No	Yes	Transportation and Logistics
29. B Grimm Power	40.7	1.2	No	Yes	Energy and Utilities
30. Kiatnakin Phatra Bank	39.1	1.1	No	Yes	Banking
Total Top 30 LCY Corporate Issuers	2,527.4	73.0			
Total LCY Corporate Bonds	4,454.0	128.7			
Top 30 as % of Total LCY Corporate Bonds	56.7%	56.7%			

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

Notes:

1. Data as of 31 December 2022.

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.