

Thailand

Yield Movements

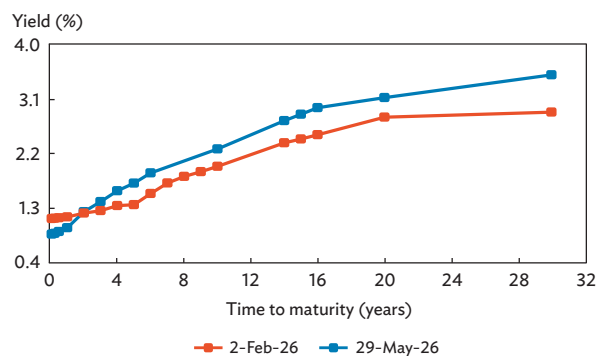
Between 2 February and 29 May, local currency (LCY) government bond yields rose for most tenors, driven by mounting inflationary pressures stemming from the global energy crisis (**Figure 1A**). Yields fell in February following a cut of 25 basis points by the Bank of Thailand but surged in March on heightened risks from the Middle East conflict. After retreating slightly in April on negotiations to end the conflict, yield movements resumed their upward trend in May as uncertainties persisted (**Figure 1B**).

Local Currency Bond Market Size and Issuance

Thailand's LCY bond market expanded 1.7% quarter-on-quarter (q-o-q) in the first quarter (Q1) of 2026 to reach THB18.1 trillion at the end of March, supported by increased government issuance (**Figure 2A**). Sovereign bond sales rose 8.6% q-o-q to THB0.5 trillion as the government accelerated issuance to fund stimulus programs. However, total bond issuance fell 2.1% q-o-q to THB2.2 trillion, dragged down by declines in central bank and corporate bond sales (**Figure 2B**).

Figure 1: Local Currency Government Bond Yields in Thailand

A. Local Currency Government Bond Yield Curve



() = negative.

Note: Data coverage is from 2 February 2026 to 29 May 2026.

Sources: AsianBondsOnline calculations based on data from Bloomberg LP and Thai Bond Market Association.

B. Changes in Local Currency Government Bond Yields

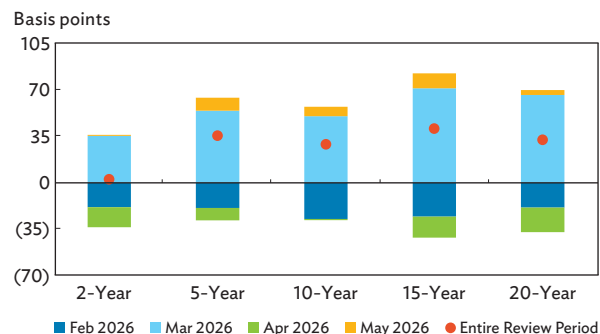
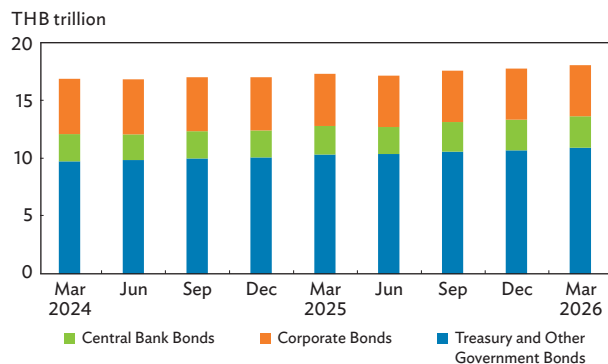


Figure 2: Local Currency Bonds Outstanding and Issuance

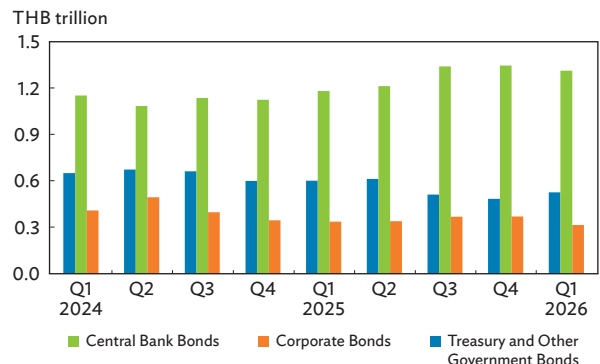
A. Local Currency Bonds Outstanding



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, THB = Thai baht.

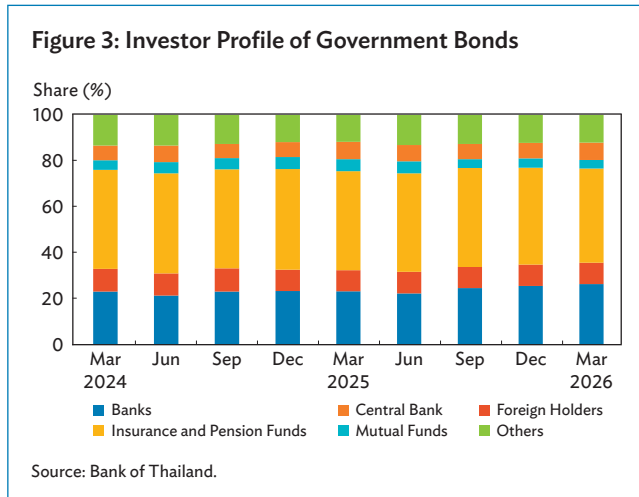
Sources: Bank of Thailand and Thai Bond Market Association.

B. Quarterly Bond Issuance



Investor Profile

Thailand’s government bonds remained largely held by institutional investors, led by insurance and pension funds (41.0% share) and banks (26.4% share) (Figure 3). Over 90% of Thai sovereign bonds were held by domestic investors at the end of March, while foreign investors have a limited market presence, holding only a 9.3% share.



Sustainable Bond Market

Thailand’s sustainable bond market expanded 6.0% q-o-q to reach USD38.6 billion at the end of March (Figure 4A). While sustainability bonds remained the predominant instrument type (46.7%), sustainability-linked instruments’ share increased notably, driven by increased issuance since the third quarter of 2024 (Figure 4B). The size-weighted average tenor of Thai sustainable bonds was 9.7 years, owing to the predominance of longer-term bonds issued by public sector entities (Figure 4C).

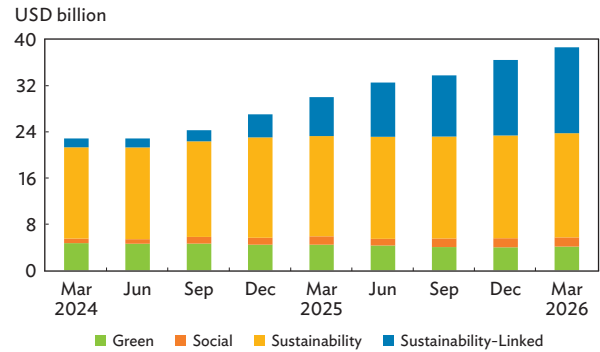
Policy and Regulatory Developments

Public Debt Management Office Conducts THB85 Billion Bond Switch Auctions

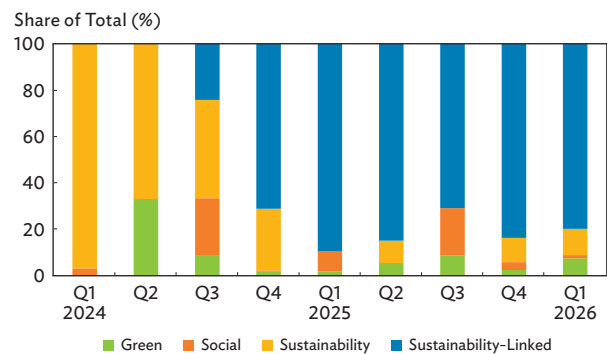
In March, the Public Debt Management Office concluded bond switch transactions amounting to THB85.0 billion. The seven source bonds for the transactions had remaining tenors ranging from less than 1 year to 2.4 years, while the destination instruments had remaining tenors of 5.1 years to 51.4 years.

Figure 4: Sustainable Bonds Outstanding and Issuance in Thailand

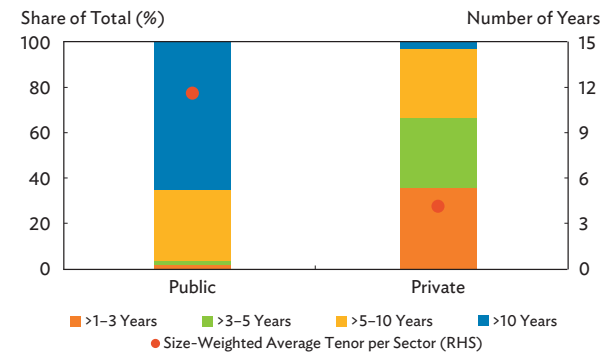
A. Sustainable Bonds Outstanding by Instrument



B. Composition of Issuance by Instrument



C. Maturity Profile of Sustainable Bonds Outstanding at the End of March 2026



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, RHS = right-hand side, USD = United States dollar.

Source: AsianBondsOnline calculations based on Bloomberg LP data.