Thailand

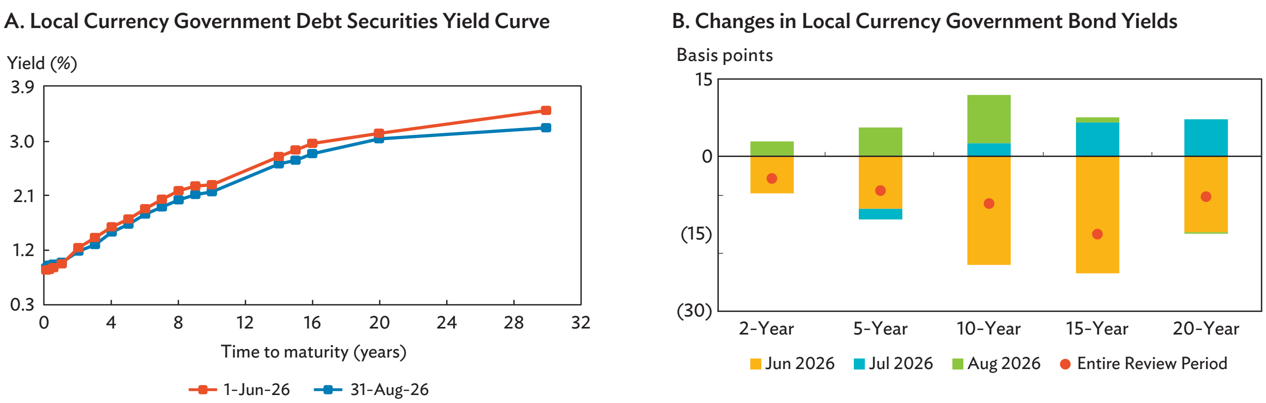
Yield Movements

Thailand's local currency (LCY) debt security yields declined overall between 1 June and 31 August, driven by moderating domestic inflation, weak economic growth, and the Bank of Thailand's (BOT) accommodative policy stance (**Figure 1A**). Yields fell in June as geopolitical tensions in the Middle East eased and the BOT held its policy rate unchanged at 1.00% (**Figure 1B**). Yields edged higher for most tenors in July and August following the reescalation of conflict and in line with higher global sovereign yields and renewed concerns over Middle East tensions.

Local Currency Bonds Outstanding and Issuance

Thailand's LCY debt securities outstanding edged up 0.3% quarter-on-quarter (q-o-q) in the second quarter (Q2) of 2026 to reach THB18.2 trillion (**Figure 2A**). Excluding debt securities with a tenor of 1 year or less, the LCY bond market expanded 0.4% q-o-q to THB15.4 trillion, moderating from a 1.8% expansion in the previous quarter on decreased government issuance. Total LCY bond issuance declined 2.7% q-o-q to THB610.5 billion, dragged down by lower sovereign issuance following front-loaded borrowing in the previous quarter (**Figure 2B**). Meanwhile, corporate bond issuance surged 36.0% q-o-q to THB233.7 billion, driven by refinancing activity in response to a large volume of maturing bonds and supported by favorable financing conditions.

Figure 1: Yields for Local Currency Government Debt Securities in Thailand



( ) = negative.

Notes:

1. Data coverage is from 1 June 2026 to 31 August 2026.
2. Bonds are defined as debt securities with maturities longer than 1 year.

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

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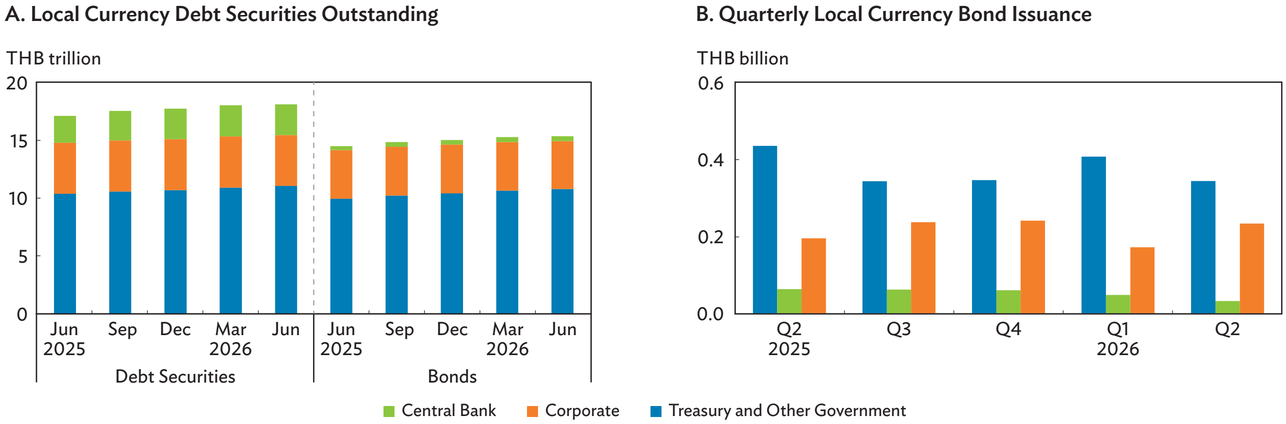
Figure 2: Local Currency Bonds Outstanding and Issuance in Thailand

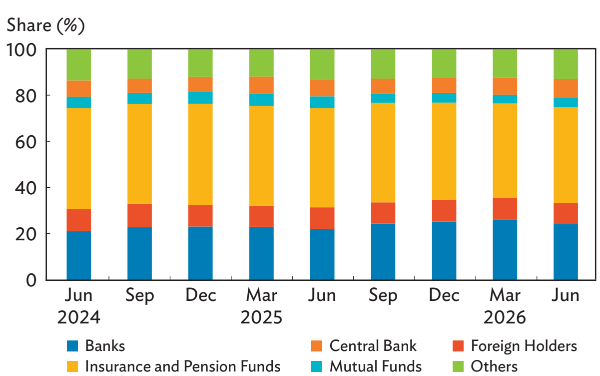


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, THB = Thai baht.
Note: Bonds are defined as debt securities with maturities longer than 1 year.
Sources: Bank of Thailand and Thai Bond Market Association.

Investor Profile

The investor profile for Thailand's government debt securities market remained broadly stable in the first half of 2026 (**Figure 3**). Institutional investors—including insurance and pension funds, banks, and mutual funds—continued to hold most government debt securities, although their combined share inched down to 70.0% at the end of June from 71.1% at the end of March. Meanwhile, the BOT's share increased to 8.0% from 7.6%, reflecting an increase in its purchases of government bonds to THB36.2 billion in Q2 from THB20.7 billion in the previous quarter as part of its monetary operations.

Figure 3: Investor Profile of Government Debt Securities

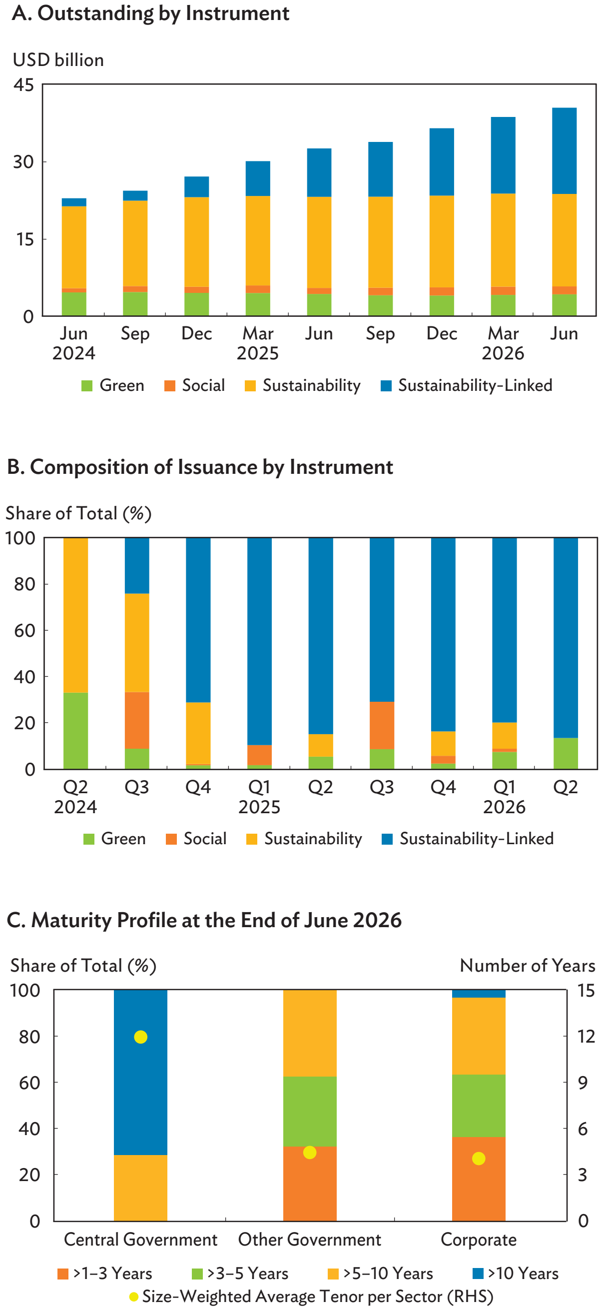


Note: Others include other financial corporations, other nonfinancial corporations, residents, and general government and nonprofit organizations.
Source: Bank of Thailand.

Sustainable Bond Market

Thailand's sustainable bond market expanded 4.6% q-o-q to reach USD40.4 billion at the end of June (**Figure 4A**). The market's expansion moderated from 6.0% q-o-q in the previous quarter due to a 5.1% q-o-q decline in issuance, as subdued economic growth dampened fundraising activity (**Figure 4B**). Sustainability-linked sovereign bonds represented 86.3% of total issuance in Q2, while green bond issuance from the power generation and utilities sector accounted for the remaining 13.7%. At the end of June, the size-weighted average tenor of outstanding sustainable bonds was 9.8 years—broadly stable compared to that of the previous quarter—supported by the longer average tenor of sovereign bonds (12.0 years), which far exceeded those of other government bonds (4.5 years) and corporate bonds (4.1 years) (**Figure 4C**).

Figure 4: Sustainable Bonds Outstanding and Issuance in Thailand



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.

Policy and Regulatory Developments

Securities and Exchange Commission Announces Framework for Transition and Amber Bonds

On 8 April, the Securities and Exchange Commission announced a proposed regulatory framework for transition bonds and amber bonds. The framework aims to support fundraising for transition activities aligned with the Thailand Taxonomy, expand sustainable financing options, and strengthen disclosure requirements for sustainability-related debt instruments. Amber bonds are intended to finance activities that are not fully green but are on a pathway toward reducing emissions and supporting the low-carbon transition.