

Thai Corporate Bond Market

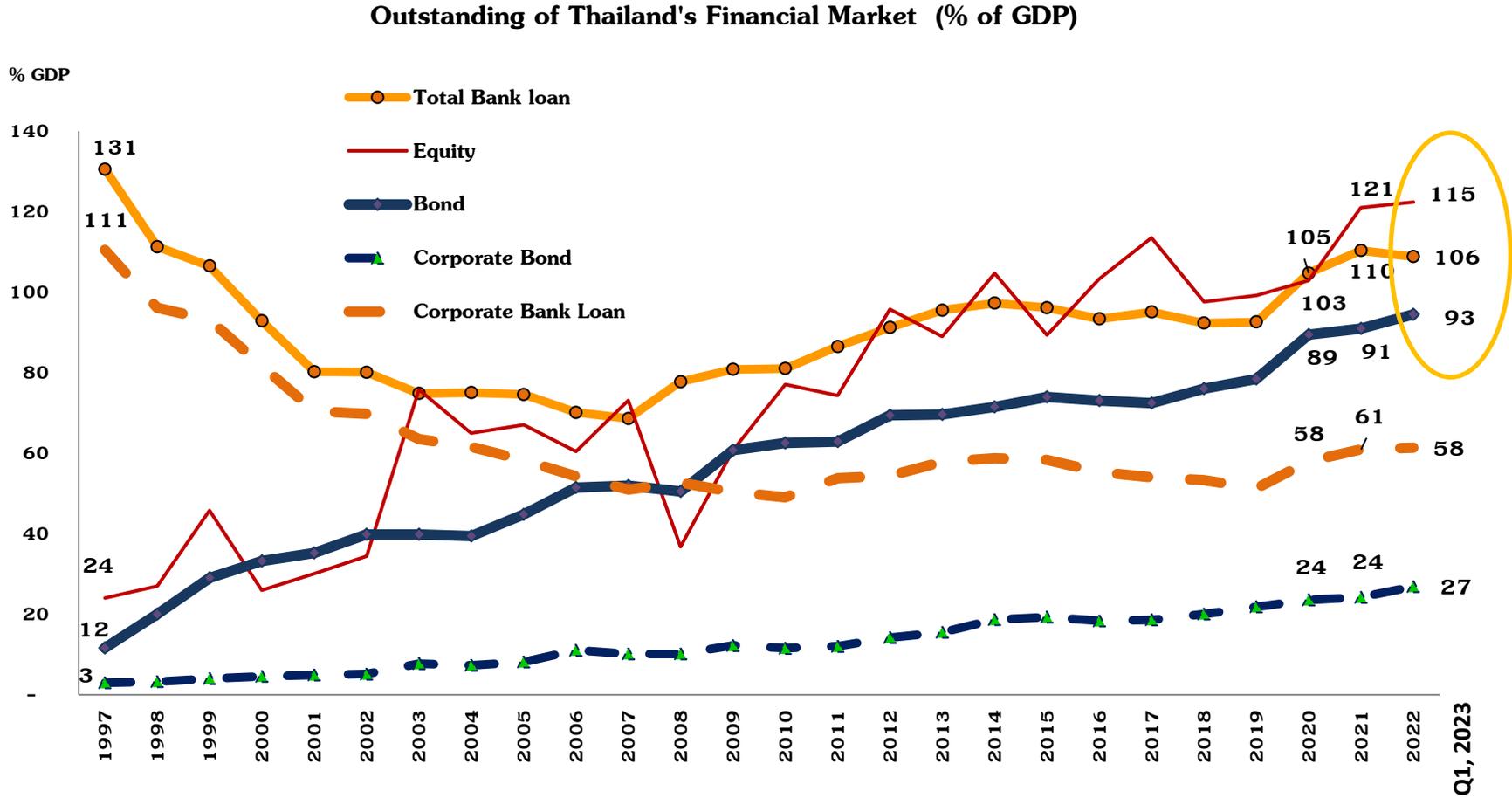
Ariya Tiranaprakij

Senior Executive Vice President

Thai Bond Market Association

29 May 2023

Outstanding of Thailand's Financial Market: Well-balanced funding sources



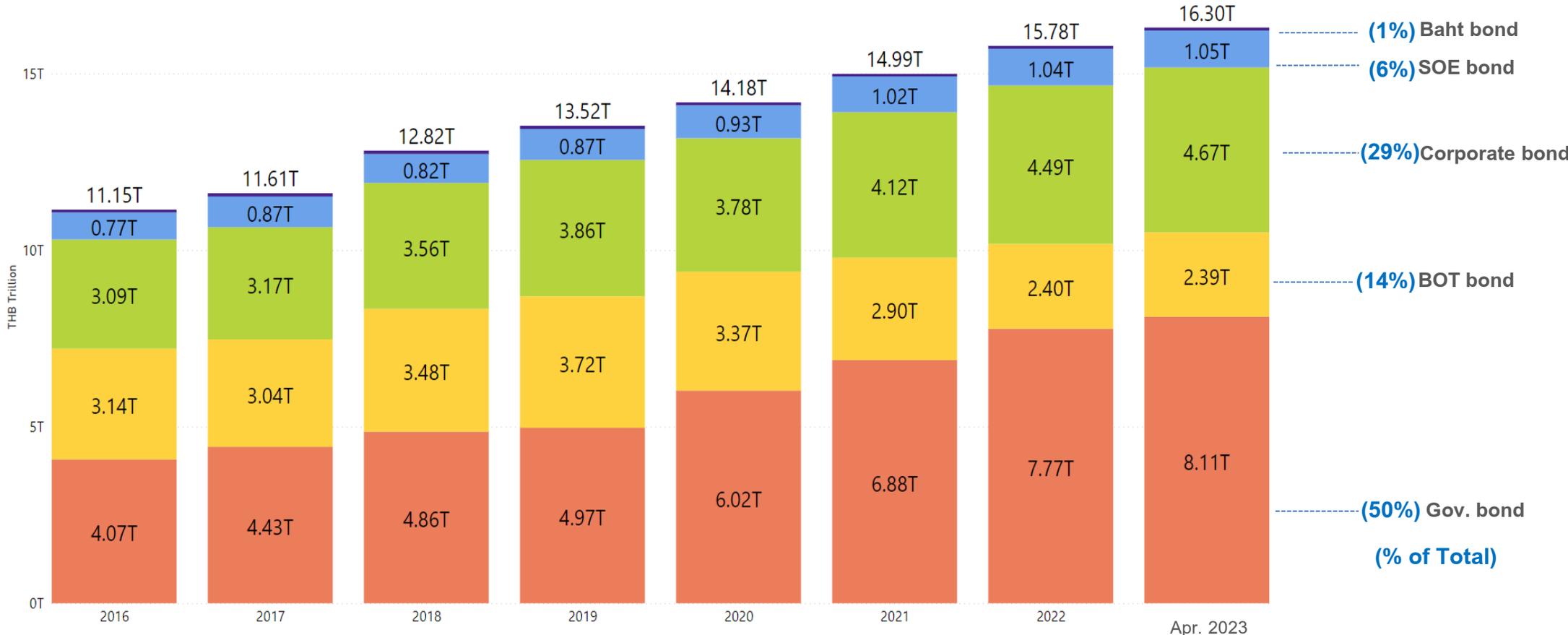
Q1, 2023

Funding Sources	Outstanding (THB Trillion)	% of financial market	% of GDP*
Bond	16.09	30	93
Equity	19.89	36	115
Bank Loan	18.36	34	106
Total	54.34	100	

(*2022 GDP = THB 17.37 Trillion)

- The total outstanding value of Thailand's bond market was THB16 trillion (USD 0.5 trillion) at the end of Q1, 2023

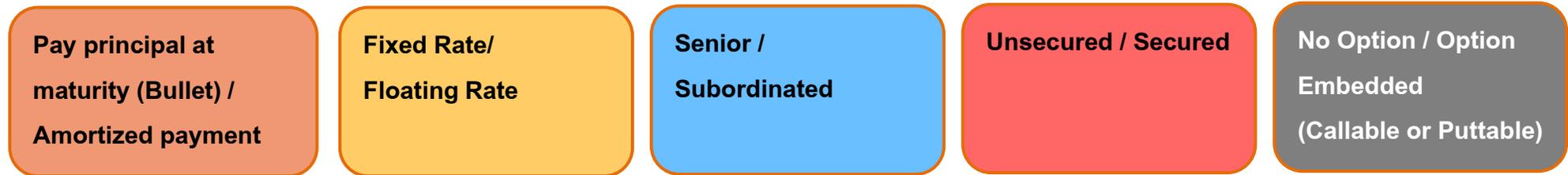
Composition of Thai bond market, 50% from government bonds



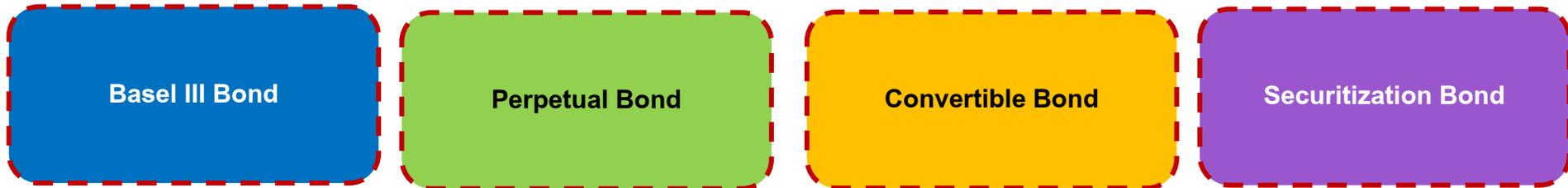
Corporate Bond

Short Term	Long Term
<ul style="list-style-type: none"> • Maturity: less than 270 days • Bill of Exchange and Short-Term Bond 	<ul style="list-style-type: none"> • Maturity: more than 270 days • Bill of Exchange and Long-Term Bond

Plain vanilla Bond

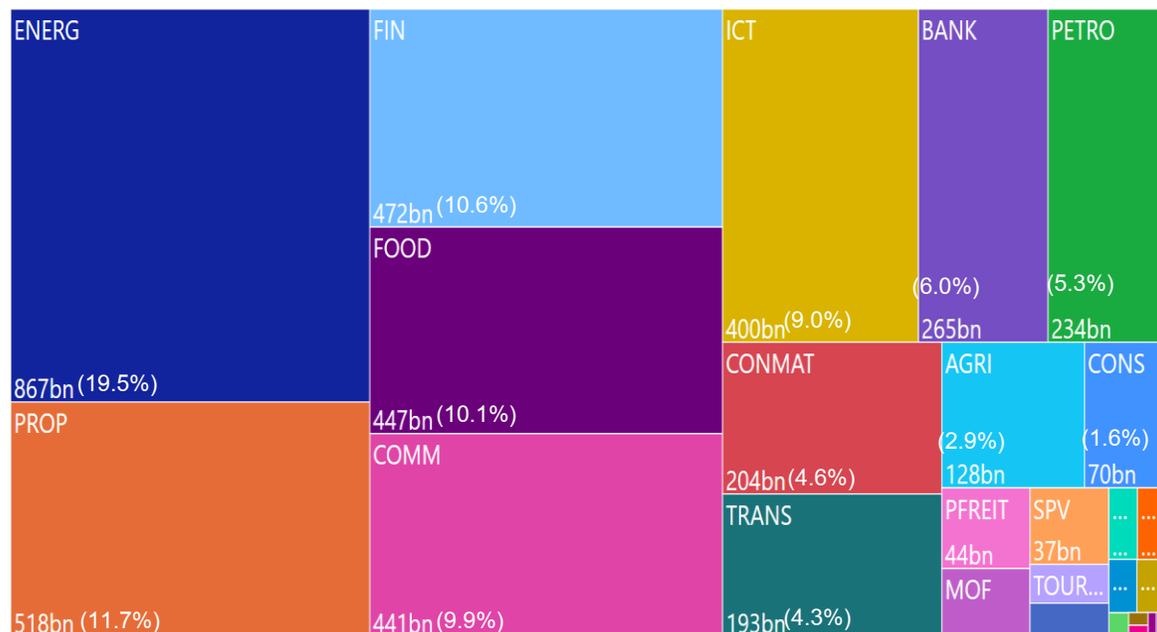


Complex Bond



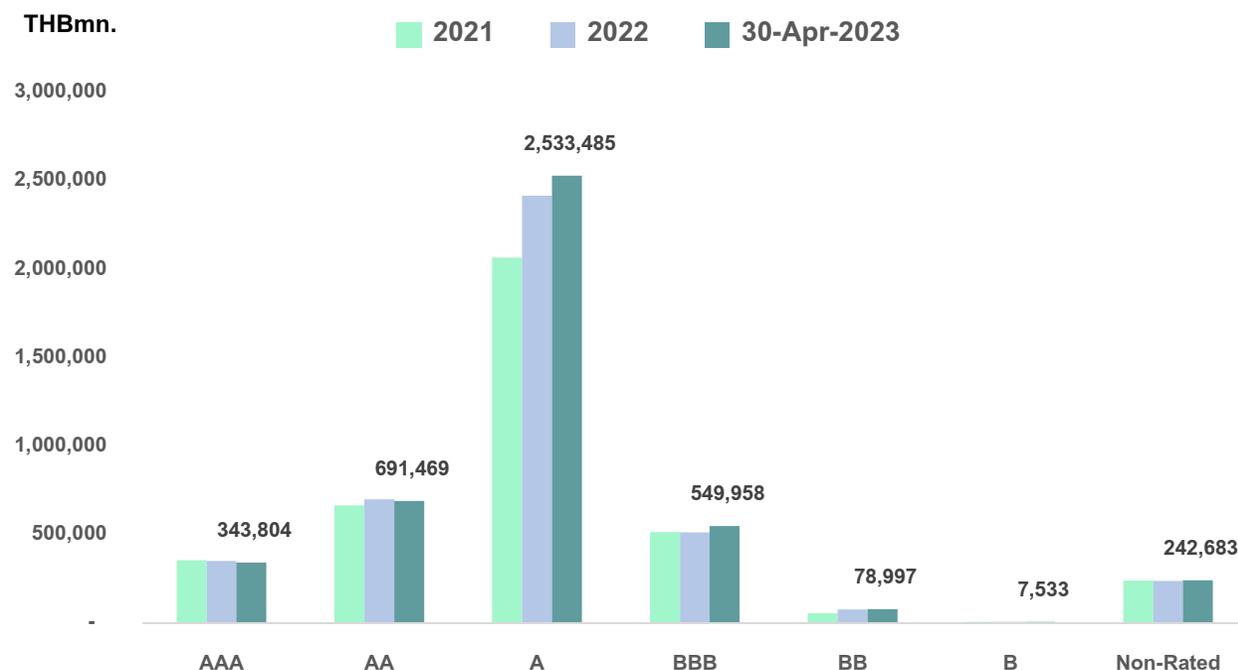
Outstanding value of long-term corporate bonds, classified by industry and credit rating

Outstanding value of long-term corporate bonds, breakdown by industry group (as of Apr 30, 2023)



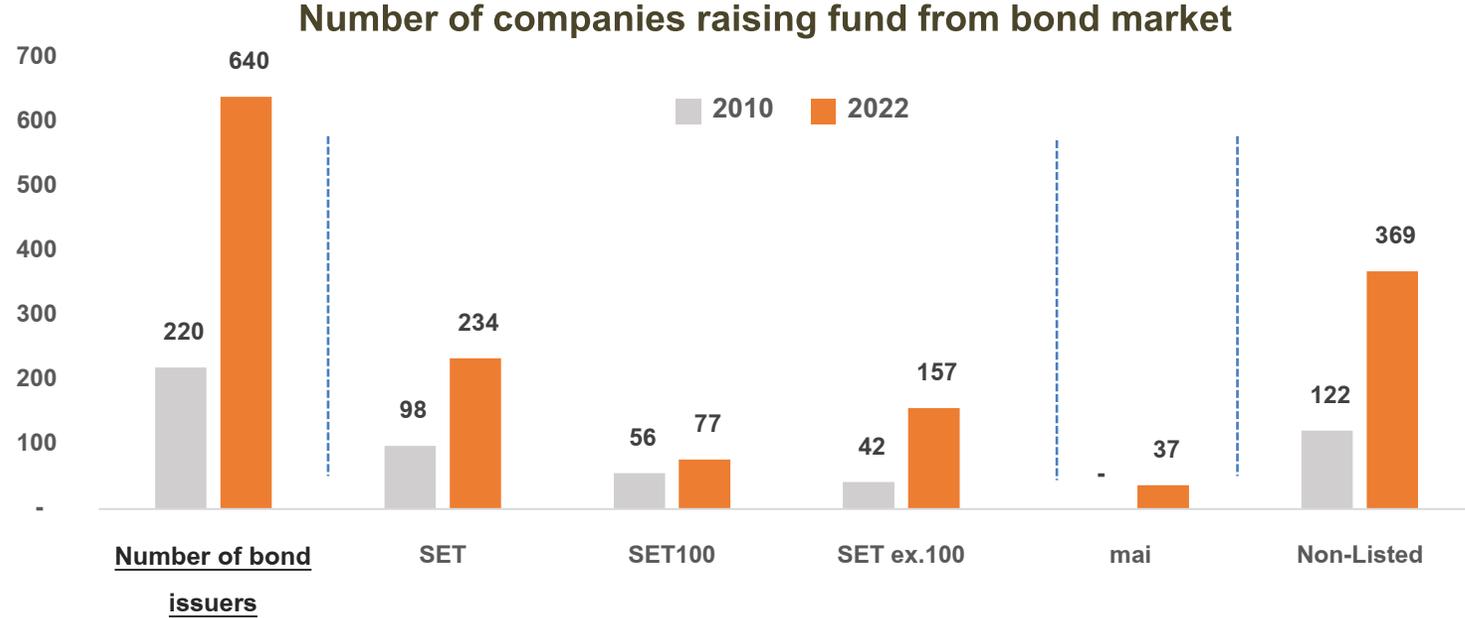
- ENERGY sector has the highest outstanding value of long-term bonds, followed by PROP and FIN sectors, respectively.
- Outstanding value of long-term corporate bonds is at 4.45 million baht.

Outstanding value of long-term corporate bonds, classified by credit rating group



- Credit Rating Group A has the highest outstanding value of long-term corporate bonds.

Utilization of Bond Market by Private Sector

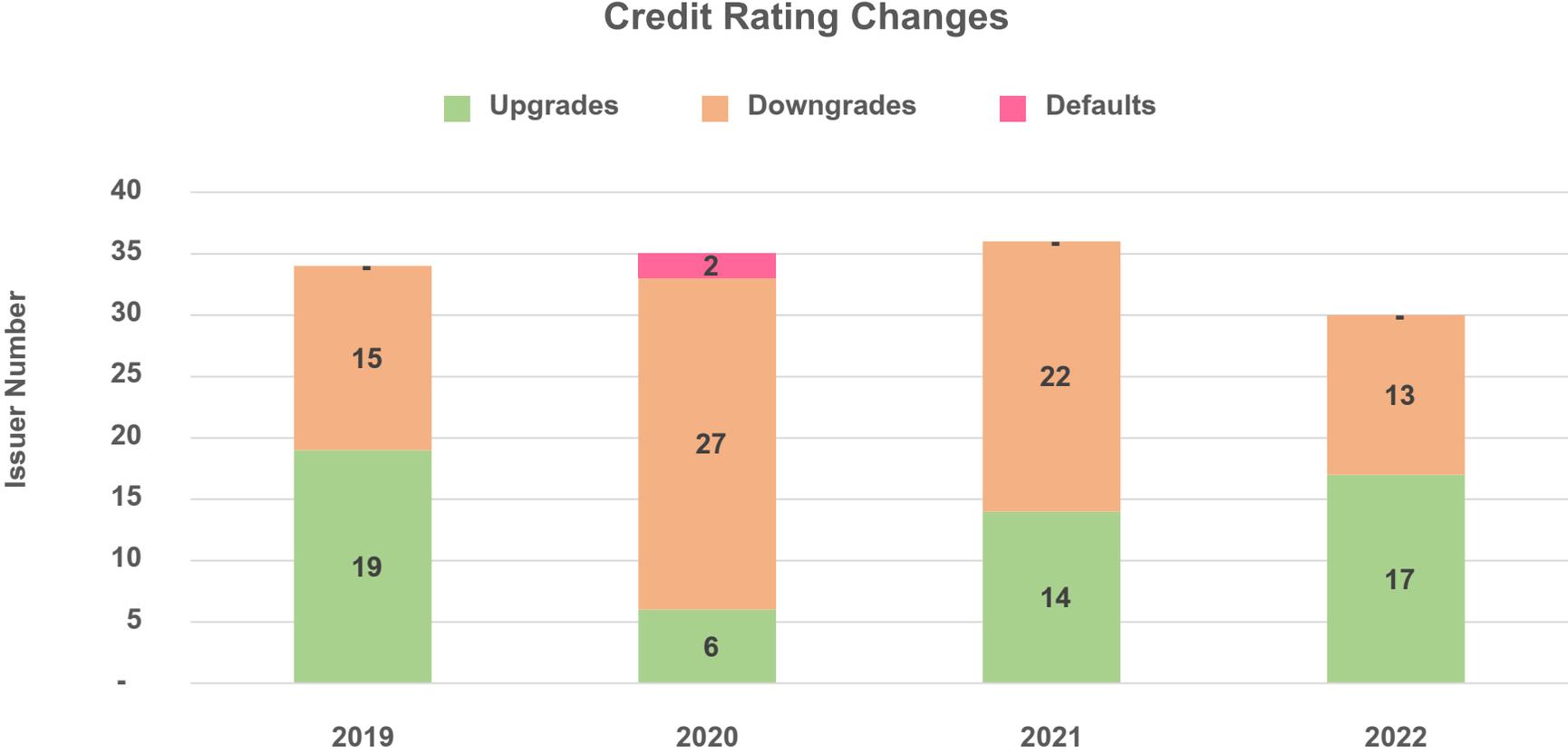


- **As of 2022, there were 640 bond issuers**
 - 234 SET-listed issuers (34% of 685 in SET)
 - 37 MAI-listed issuers (18% of 206 in MAI)
 - 369 private-company issuers
- **SET-listed companies that have issued bond come from 28 business sectors**

No. of bond issuers by business sectors

Business Sector	2010	2022
PROP	26	118
FIN	35	94
ENERG	18	80
BANK	30	46
FOOD	13	31
TOURISM	16	26
ICT	9	25
CONS	3	25
COMM	11	24
SPV	15	23
TRANS	8	21
CONMAT	7	19
PETRO	6	12
MEDIA	5	11
PROF		11
AUTO	3	10
AGRI	2	9
STEEL	2	8
ETRON		7
FASHION	4	6
HELTH	3	6
HOME		6
IMM	2	6
PF&REITs		5
PKG		4
GOVERNMENT RELATED/ FOREIGN ENTITY	1	2
INSUR		2
PERSON		2
PAPER	1	1
Grand Total	220	640

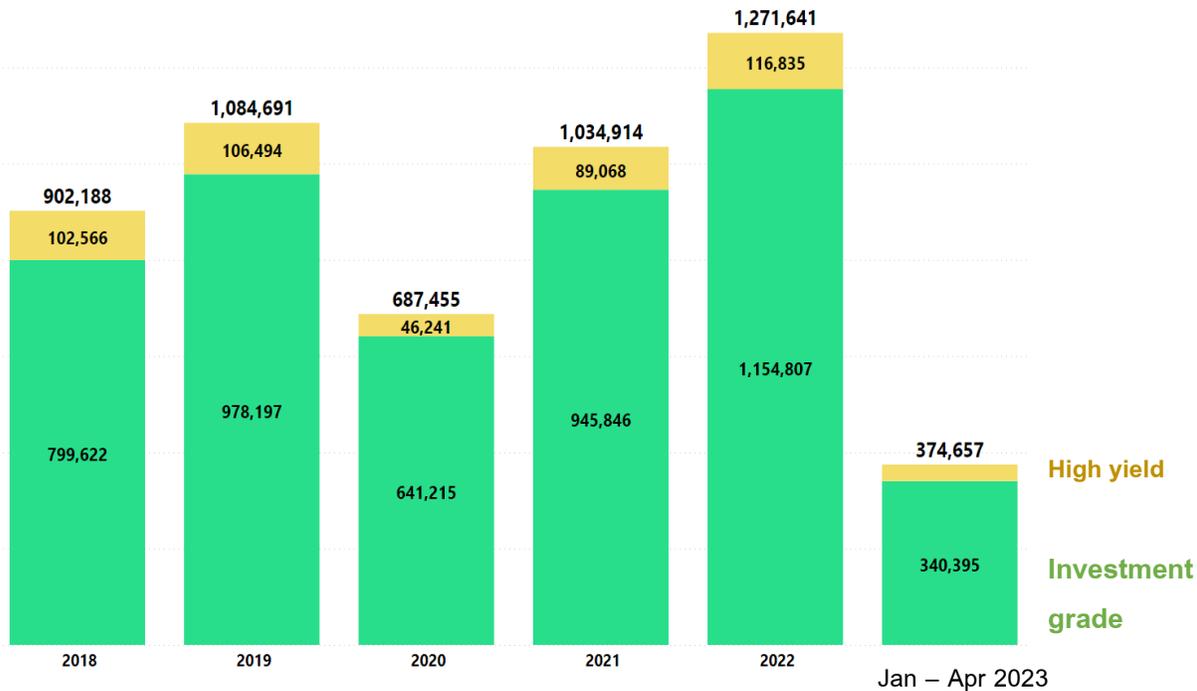
In 2022, credit ratings of 17 issuers have been upgraded by TRIS Rating



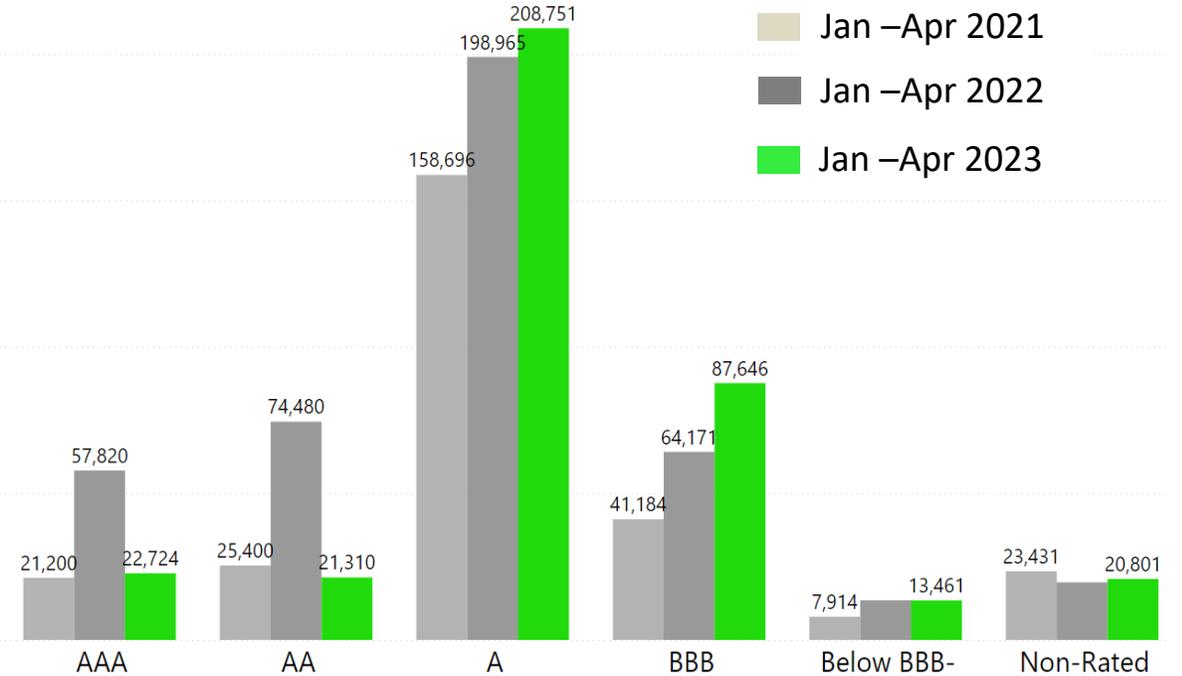
Source: Tris Rating

Corporate bond issuance recorded an all time high in 2022.

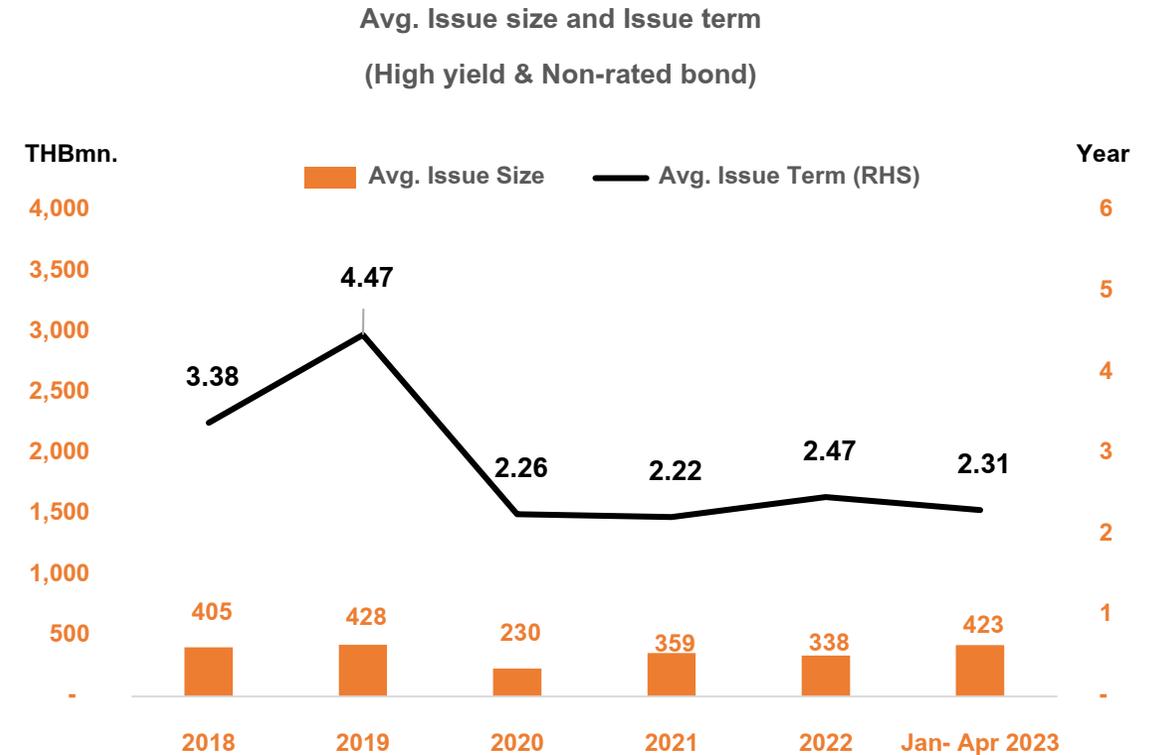
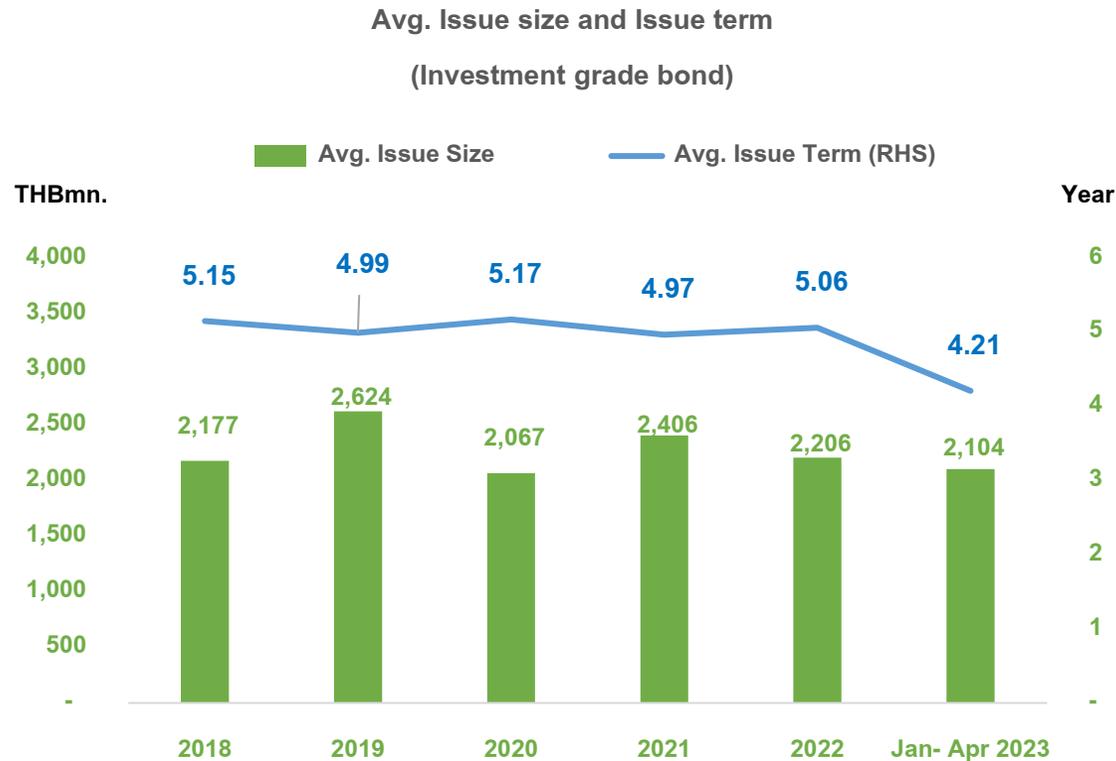
Issuance full year 2018-2023 (THB Million)



Issuance Jan-April 2021-2023 (THB Million)



Average tenor of corporate bonds issued during 4M 2023 slightly declined due to rising interest rates.



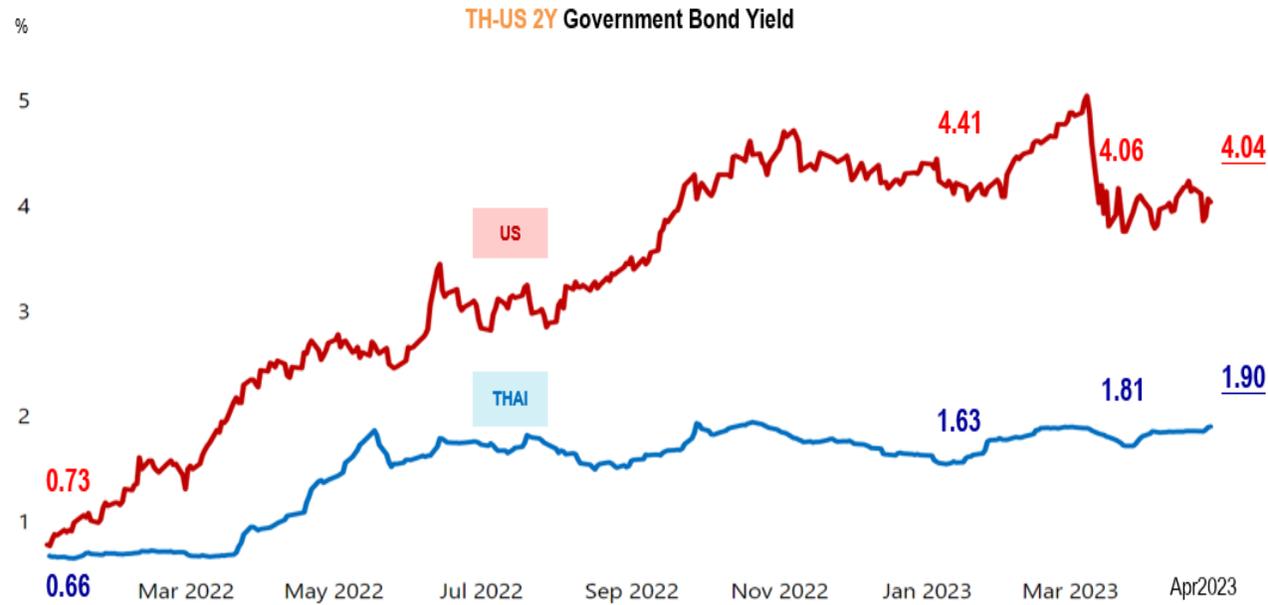
- Long-term bonds issued in January-April 2023 have slightly decreased in average issue term in both investment grade and high-yield bonds.

2-year and 10-year Thai-US bond yield

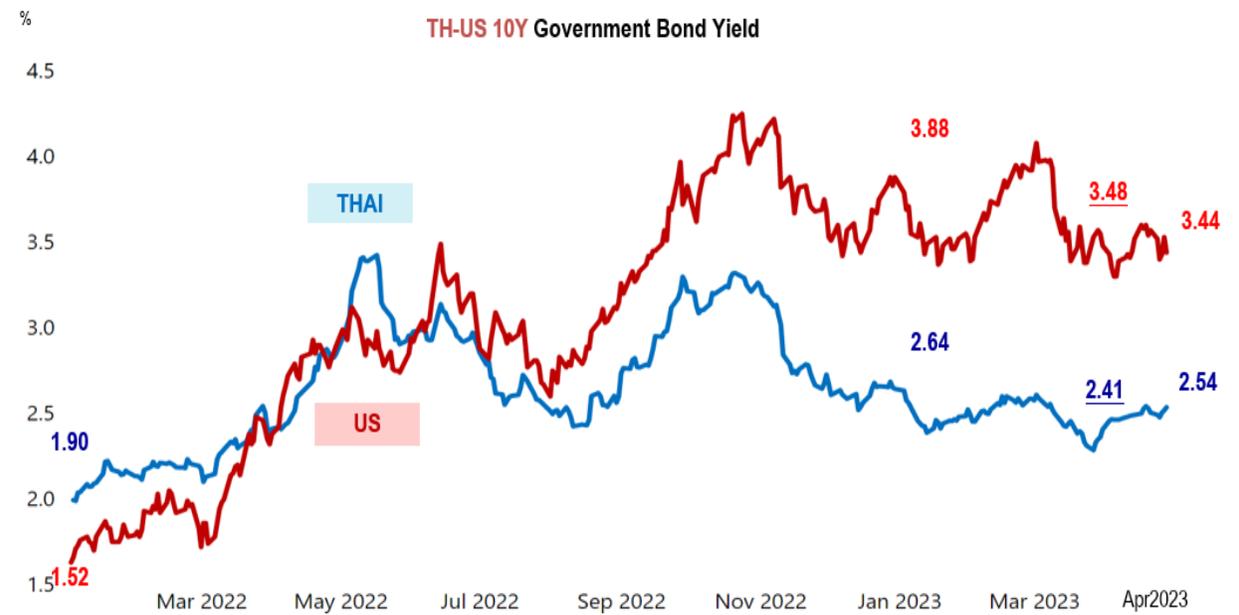
TH 2Y 2023 YTD +27bps
 US 2Y 2023 YTD -37bps

TH 10Y 2023 YTD -10bps
 US 10Y 2023 YTD -44bps

TH-US 2Y Government Bond Yield

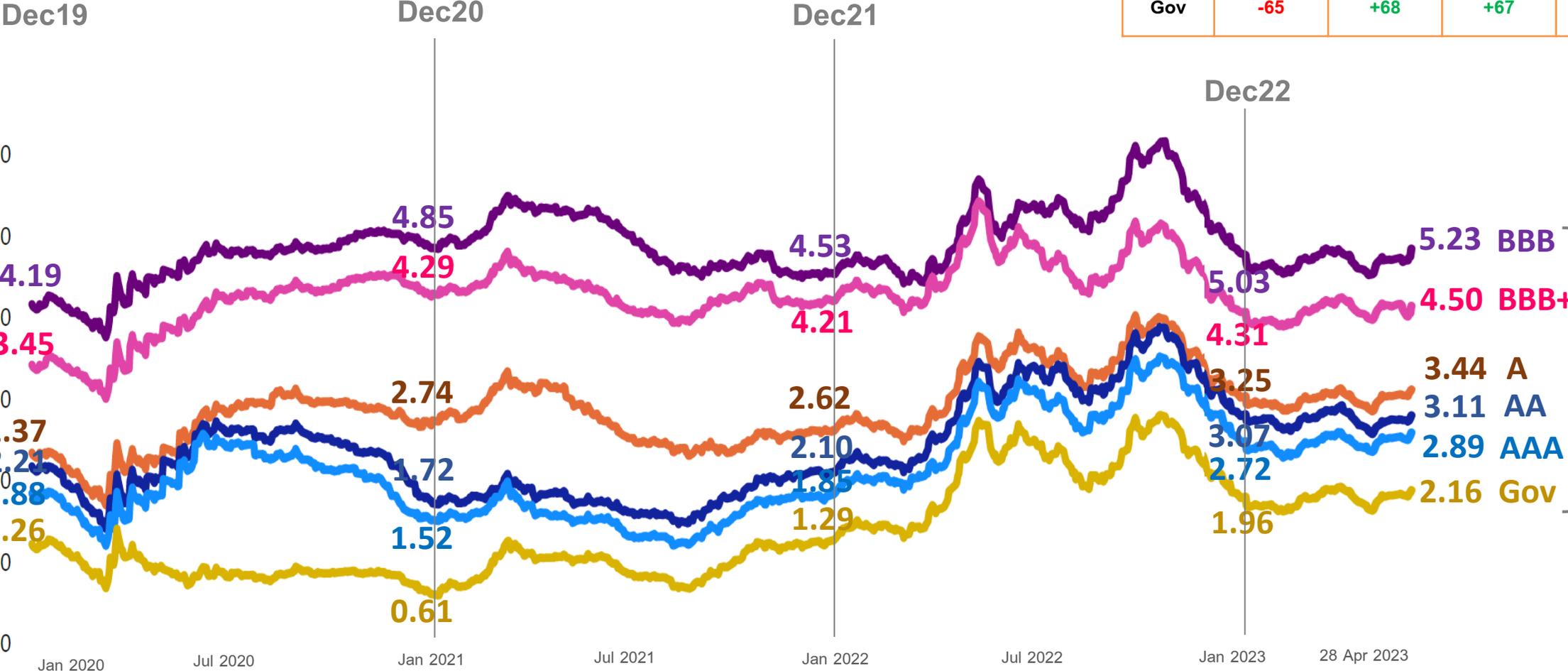


TH-US 10Y Government Bond Yield



5-Year Borrowing Costs of All Rating Issuers increased in the first 4 months of 2023

(Bps.)	Chg in 20	Chg in 21	Chg in 22	Chg in 23
BBB	+66	-32	+50	+20
BBB+	+84	-8	+10	+19
A	+37	-12	+63	+19
AA	-49	+38	+97	+4
AAA	-36	+33	+87	+17
Gov	-65	+68	+67	+20



Borrowing costs of all ratings increased in the first 4 months of 2023

Corporate spread

Yield Curve ▾

Government Bond Yield Curve

Zero Coupon Yield Curve

Corporate Bond Yield Curve

US Treasury

SOE Spread Matrix

Indicative Intraday Yield Curve

Bond Quotation

Bond Index ▾

Non-resident Flows

Statistics & Reports ▾

ThaiBMA Ranking ▾

Corporate Bond Yield Curve (Averaged Spread)

12/05/2023



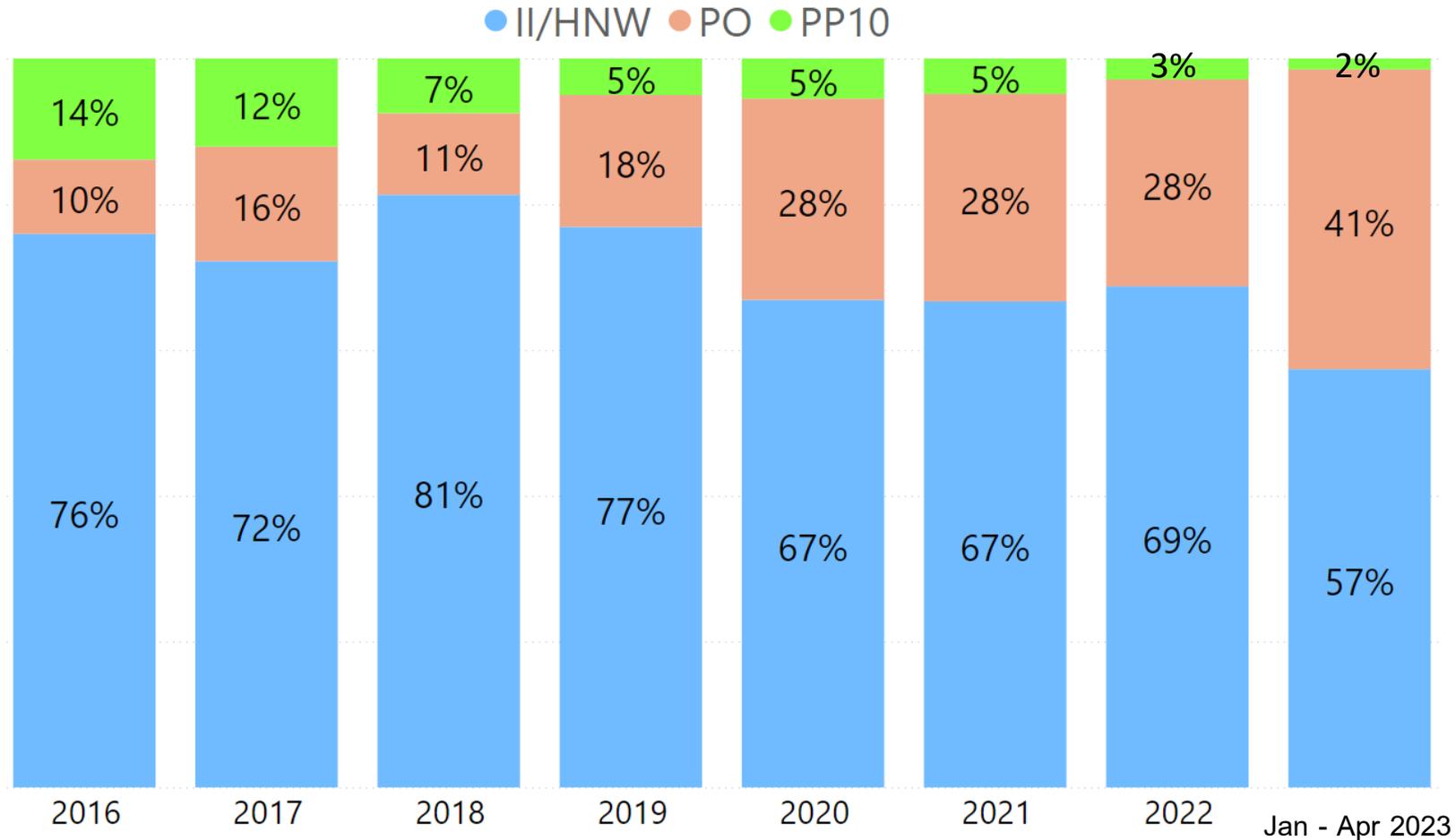
Corporate Bond Yield Curve (Based on TTM) as of 12 May 2023

Export to Excel

Group	Averaged Spread (bp)			Standard Deviation (bp)			Averaged Maturity		
	<= 3 Yrs.	3 - 5 Yrs.	> 5 Yrs.	<= 3 Yrs.	3 - 5 Yrs.	> 5 Yrs.	<= 3 Yrs.	3 - 5 Yrs.	> 5 Yrs.
AAA	48.423016	70.075866	88.246401	19.456093	21.946422	34.053989	1.554706	3.811872	8.778995
AA+	60.006055	80.042033	101.160062	17.675668	15.032813	14.690865	1.694063	3.845053	9.047602
AA	59.722884	80.095643	106.435987	18.645515	15.134204	22.812032	1.504298	3.789041	7.625302
AA-	69.432856	113.445721	146.981242	21.938041	22.672930	15.170673	1.743196	4.063878	7.046061
A+	94.215232	118.058167	146.029947	41.300116	29.509874	20.579562	1.505828	3.970522	8.401202
A	80.253792	127.332718	155.798342	31.230074	26.085561	41.389903	1.444714	3.892612	7.438320
A-	95.805007	147.059488	159.477612	38.968350	40.050989	29.587282	1.581525	3.988034	7.512902
BBB+	197.168249	240.148123	272.610089	54.581249	27.565632	32.018181	1.720596	3.736219	5.875342
BBB	261.796443	244.823553	-	24.533528	13.618296	-	1.789554	3.489497	-
BBB-	323.086364	345.429543	-	53.377964	37.885180	-	1.377276	3.182191	-

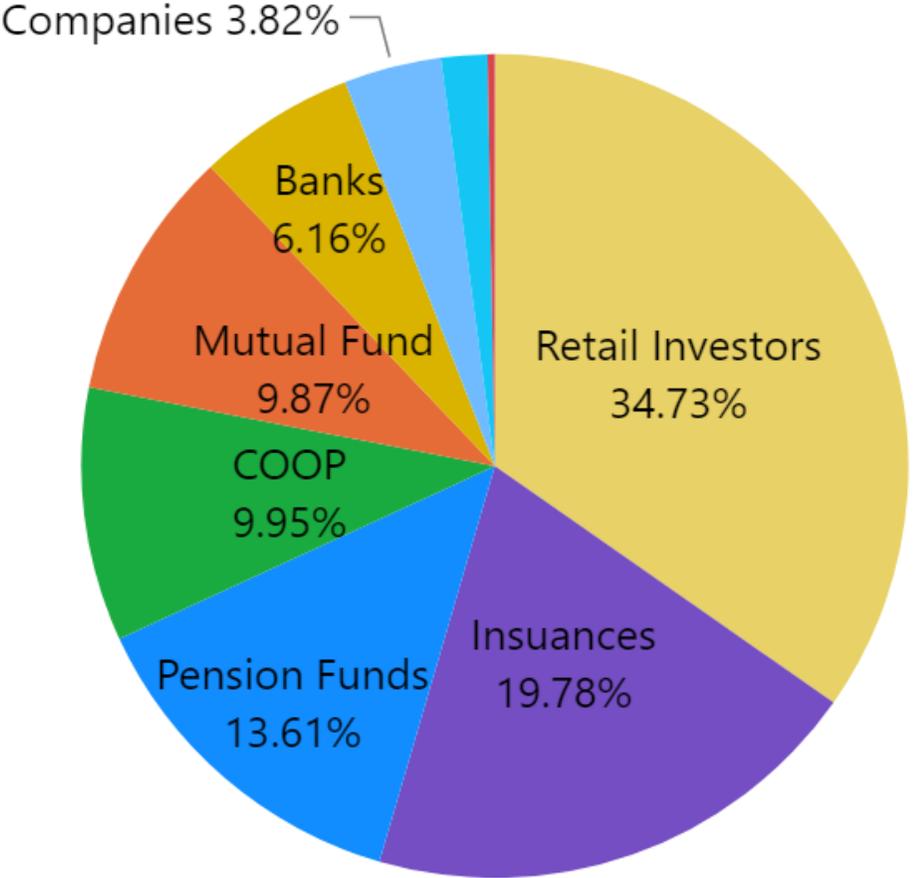
Long-term corporate bonds issued in the first 4 months of 2023 offered for a higher portion of PO

Offering of long-term corporate bonds

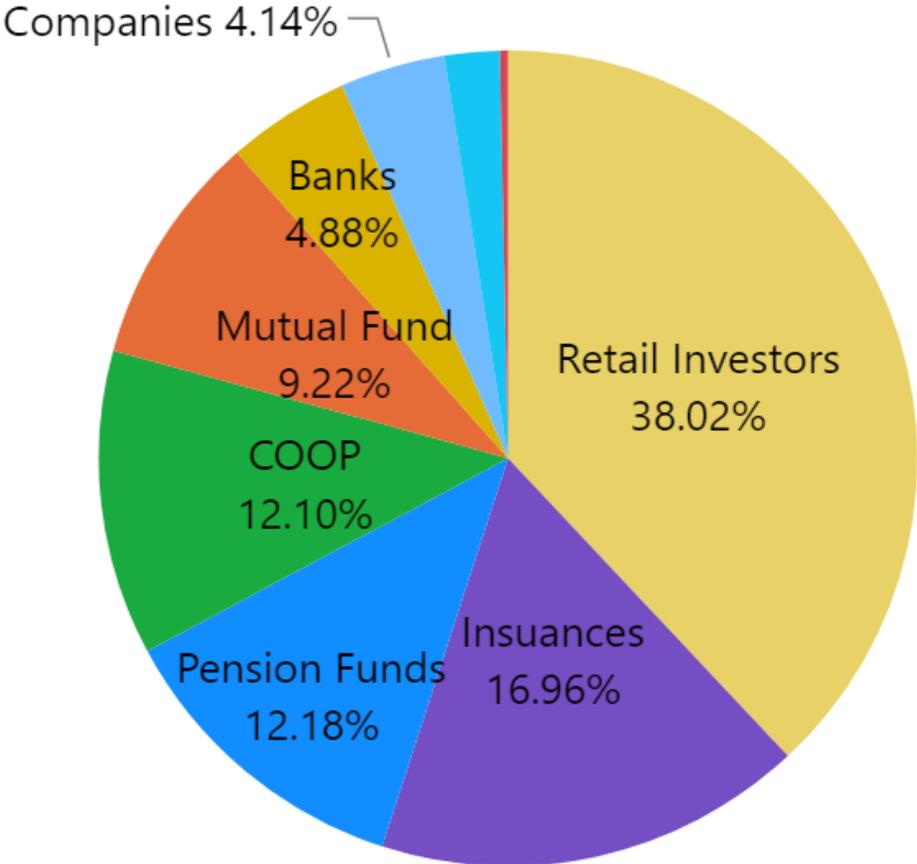


Corporate Bond Holding by Investor Group

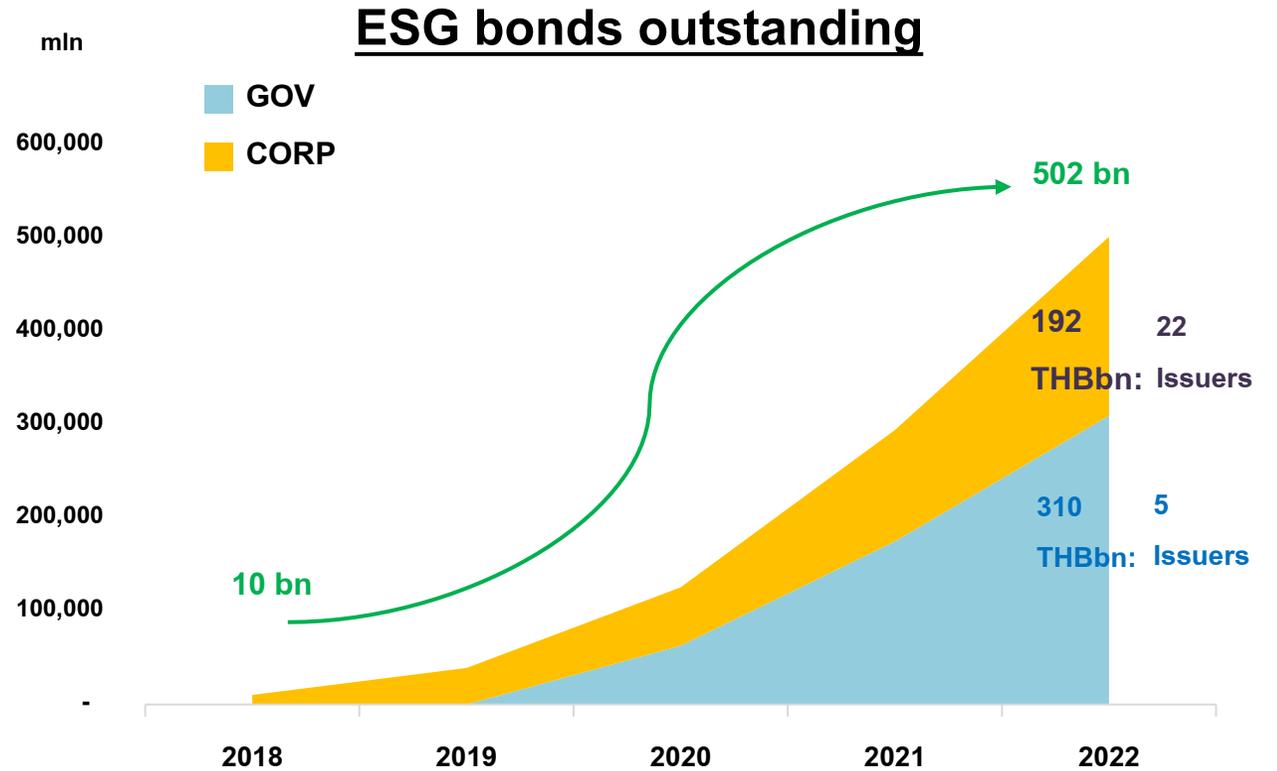
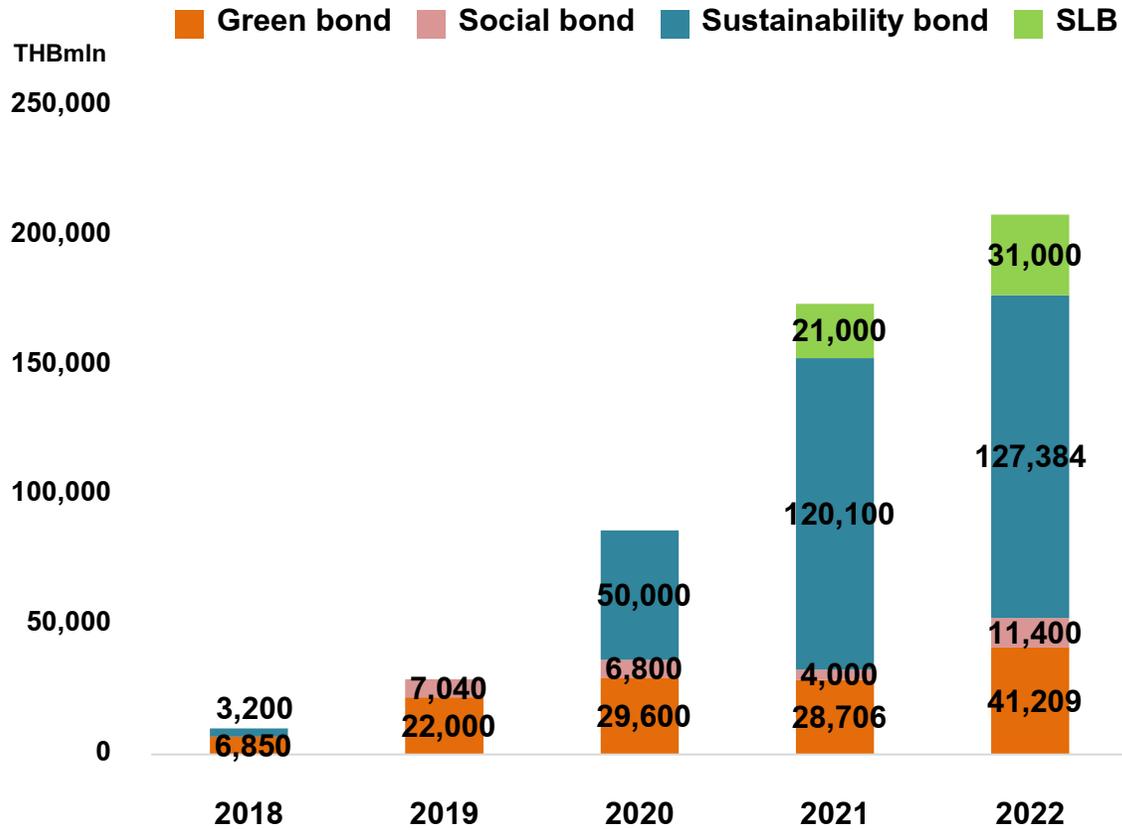
Total Holding as of Q4 2020: 3,486,063 THB M.



Total Holding as of Q4 2022: 4,163,202 THB M.



Issuance of ESG bonds increased steadily, reaching over 500 billion as of end2022



Number of issuers

Gov./Gov. agency	2018	2019	2020	2021	2022
Gov./Gov. agency	0	0	0	3	2
Corporate	3	3	4	11	13

The outstanding value as of 30 Apr 2022 was at 593 THBbn, accounting for 3.6% of Thai bond market.

Issuers of ESG bonds

Green Bond



 Reforestation project
 Environmental friendly car hire purchases
 Mass Transit System
 Loan to reforestation projects
 Renewable energy project



 Energy Absolute

Sustainability Bond



 Relief measures to mitigate the social and economic impacts from COVID19
 Housing development projects
 Mass transit system
 Financing green projects

Social Bond



 Housing development projects
 Support local farmers



SLB



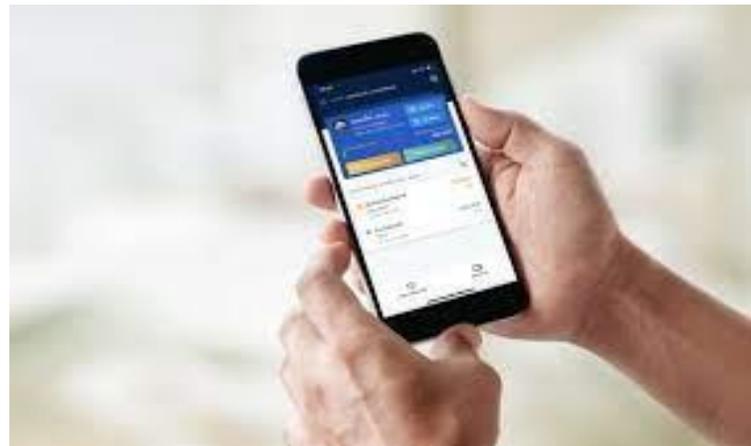
 Reduce CO2 emissions and PET bottle recycle projects


- Reduce CO2 emissions
- Setup Fishing Vessel Inspection System

Digital innovation in the bond market

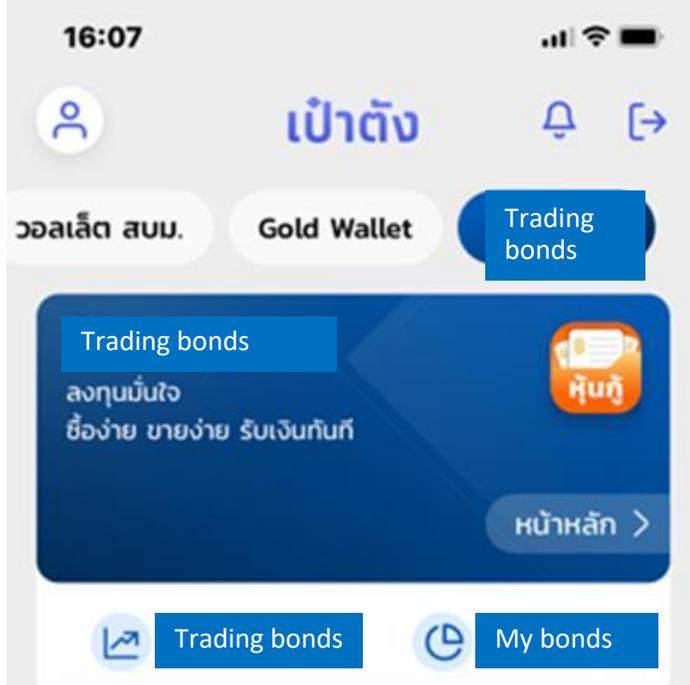


- *Real-time and 24-hour trade*
- *Real-time transfer*
- *Scriptless*

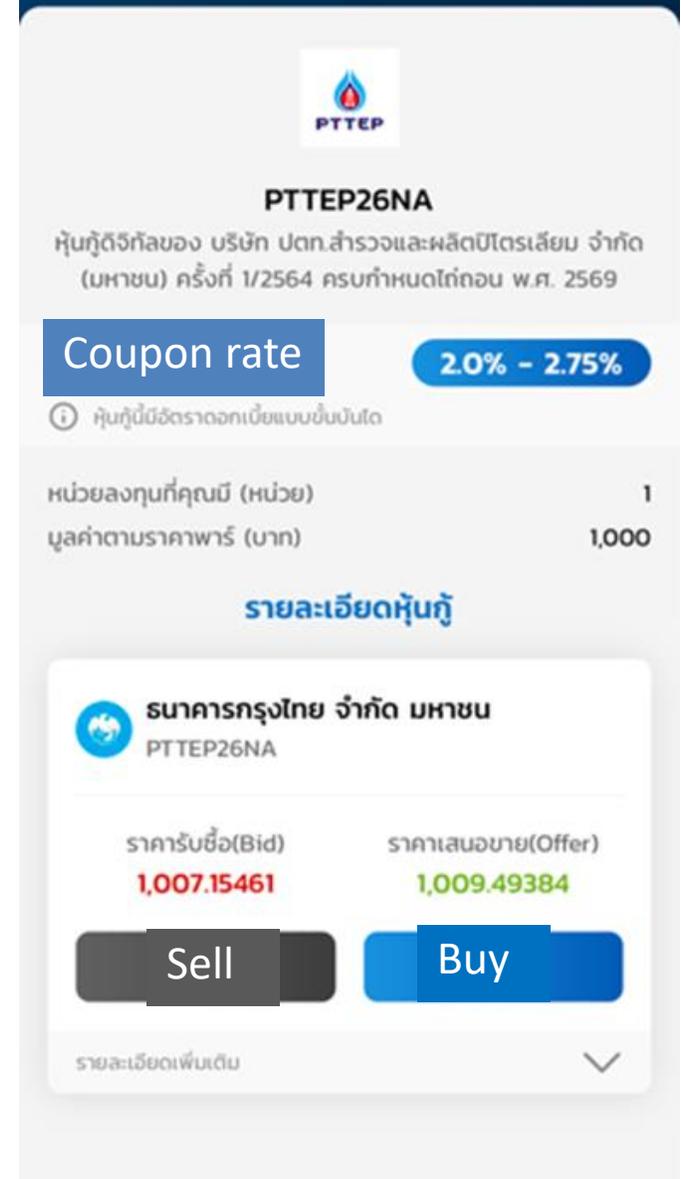
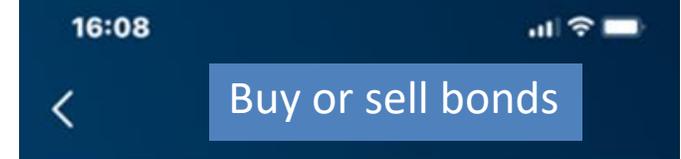
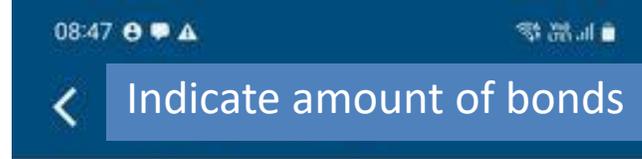


- *Government*
- *Corporate*

- Dec 2019: first DLT corporate bonds under SEC regulatory sandbox issued by Toyota leasing Co. Ltd.
- Jun 2020: first DLT Government Saving bond available via government e-wallet “Pao Tang” mobile application.
- 2021-2022 : 11 issues of digital corporate bond issued were issued via “Pao Tang” mobile application i.e. PTTEP, MINT, IRPC, CPALL, SIRI, GULF etc.

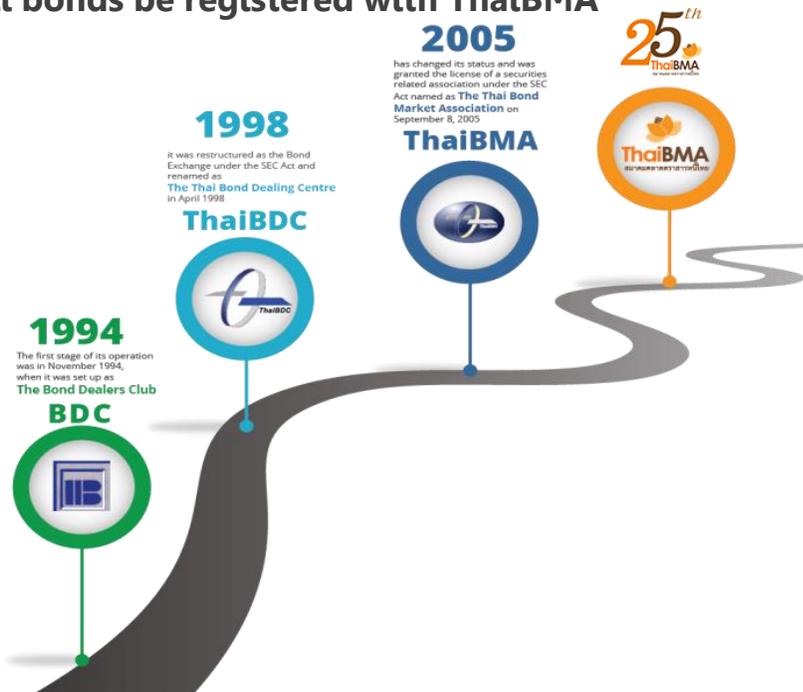


Subscription, trading
are done on the
wallet, real time

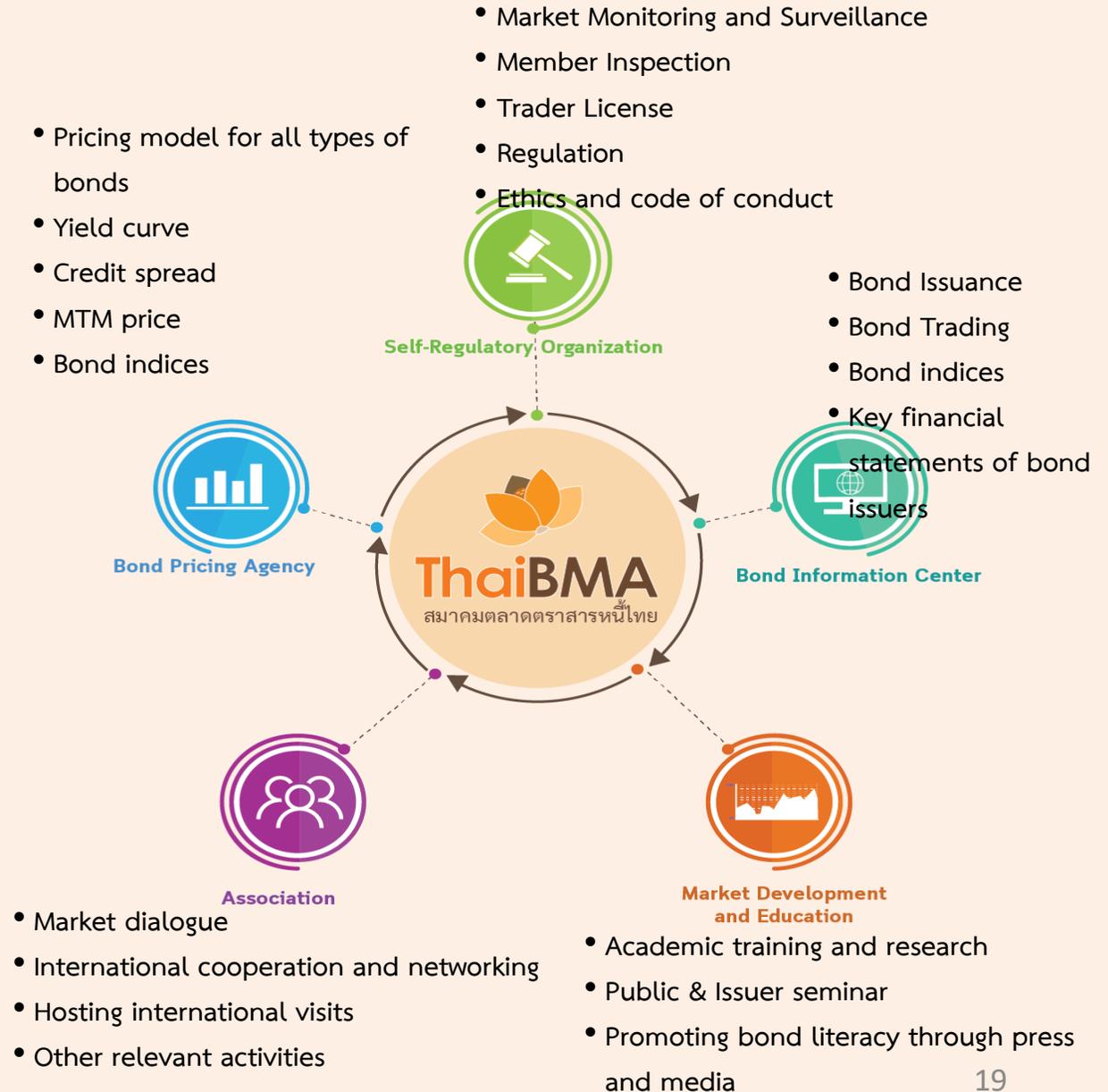


What we do?

- ❖ ThaiBMA is registered under the SEC Act 1992 as “Association related to Securities Business”
- ❖ The role of ThaiBMA as a Self-Regulatory Organization (SRO) has been endorsed and clarified through the MOU between ThaiBMA and SEC
- ❖ Under mandate of SEC regulations to support SRO role of ThaiBMA, it's required that
 - All securities firms (*having Debt trading license*) be ThaiBMA members
 - All bond transactions be reported to ThaiBMA
 - All bonds be registered with ThaiBMA



Thai Bond Market Association (TBMA)



Mobile Application for Bond Investor



- ❖ **Portfolio** Memo bond portfolios, track and notify interest payment dates and maturity dates.
- ❖ **Bond Yield** Monitor government bond yield and corporate bond risk premium.
- ❖ **Newly Issued Bonds** Never miss out on new bond issues.
- ❖ **Bond Search** as per selected criteria
- ❖ **Overview of The Bond Market** Real-Time intraday data
- ❖ **News and Movement of The Bond Market**



Issuers' Financial Information

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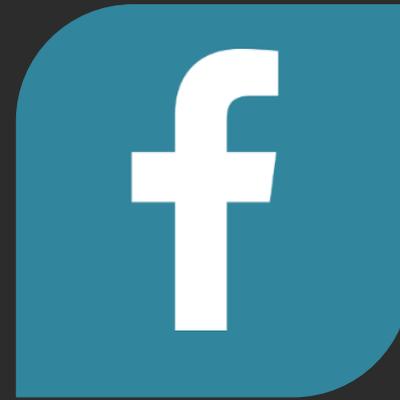
Android

For more information, go to visit



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