



BANK OF THAILAND NEWS

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Transactions and Interest Rate of The Repurchase Market in January 2001

The Bank of Thailand (BOT) recently reported on the drop in the number of transactions of the repurchase market in January 2001 compared to that of December 2000.

Mr. Oubaur Kruthanooch, BOT's Deputy Spokesman, recently announced that "the number of transactions of the repurchase market in January 2001 decreased to 42 billion baht per day compared to 48 billion baht in December last year; most of the transactions were R/P rates for one to 14 days".

However, in January this year, financial institutions have begun to invest in longer-term investments in one to three month transactions which differed from their short-term intensive investments in December last year.

"The movement of 1-day and 7-day interest rates were: 1-2.50% and 1.25-2.125 % respectively - the highest rise was recorded during 19 – 23 January, which was the Chinese New Year, due to the increase in demand and to the maintenance of liquidity standard of each financial institution for every 15 days," added BOT's Deputy Spokesman.

However, the R/P 14-day rate was still maintained at 1.50 % by the Monetary Policy Board (MPB)'s decision on 18 January 2001. The two and three-month interest rates were reduced from 2.375% and 2.4375% per year to 2.25% and 2.375% per year respectively, after remaining at the same level since June 2000. As for the 6-month rate, there has been no transaction.

Bank of Thailand

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