



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department

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Alteration on the Benchmark Bonds 2-way Quotations Providing by Primary Dealers

With an aim to develop the domestic bond market, the Ministry of Finance has adopted a new practice in government bonds issuance by increasing the issue size and reducing auction frequency for the benchmark bonds issued in fiscal year 2008 which are 5-year bonds (LB133A) and 10-year bonds (LB183B).

The Ministry of Finance requested primary dealers for outright transaction to perform market maker function in order to support of the above objective by quoting two-way firm prices under normal market condition for both benchmark bonds issued in fiscal year 2008 according to the following details ;

| | |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issues of Bond | Benchmark bonds : LB133A and LB183B |
| Minimum size quoted | 30 Million baht per issue |
| Maximum bid-ask spread | No more than 5 basis points under normal market condition |
| Frequency | At least once a day, every working day |
| Time | 11.15 hour – 11.30 hour |
| End of the obligation | When the bid/offer is taken or until 12.00 hour |
| Quotation channel | FIRSTs at BEX, the Stock Exchange of Thailand |
| Start Date | November 1, 2007 onwards for LB133A and December 3, 2007 onwards for LB183. This procedure will be applied for the benchmark bonds which will be announced in the next fiscal year. |

Primary dealers for outright transactions will adopt the above procedure of two-way firm price quotation instead of the existing procedure via the Market Watch on the ThaiBMA website.

The Bank of Thailand

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