



BANK OF THAILAND NEWS

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Announcement of the BOT RP market's Last Day of Operation

To enhance monetary operations transparency and facilitate Thai money market development, the Bank of Thailand (BOT) has announced February 12, 2008 as the last day of operation for its RP market.

The closure of the BOT RP market is part of the BOT's plan to help develop the Thai money market. It is an important step to encourage financial institutions to lend or borrow funds among themselves, for example, through Private Repo or Interbank transactions.

The BOT has been preparing for the BOT RP market closure by improving its effectiveness in managing liquidity, such as by increasing the number of its Primary Dealers in Bilateral Repo (BRP) transactions from 9 to 14 since October 2007. Today, almost all of BOT liquidity operations are transacted through BRP transactions.

Since the beginning of 2007, the BOT has been reforming its monetary operation framework, starting with the change of the policy rate from the 14-day repurchase rate to the 1-day repurchase rate. Subsequently, it adjusted the reserve maintenance period, established an Interest Rate Corridor to limit interest rate volatility, and finally set the closure date for the BOT RP market.

Bank of Thailand

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