

**No. 1/2012****The Planned Bank of Thailand Bonds Issuance Programme for 2012**

The Bank of Thailand (BOT) has continually issued BOT Bonds as one of the instruments used in the implementation of monetary policy to ensure that money market liquidity is at an appropriate level while fostering the development of a liquid and efficient debt securities market in Thailand.

In 2012, the BOT continues to aim at regular issuance across the short to medium-term maturities spectrum throughout the year. The planned issuance programme for BOT Bonds in 2012 is summarised below:

1. Auction schedule

In 2012, auctions of the two-year and three-year fixed-coupon BOT Bonds will be held on Thursday instead of Tuesday so as to avoid such bonds maturing on Saturday or Sunday. This adjustment will eliminate the yield distortion caused by this factor and enhance the liquidity in the secondary market. The auction days for the other types and maturities of BOT Bonds will remain the same as before. The auction schedule by type and maturity are shown in the following table.

Type of Bond	Auction Day	Auction Frequency
1. Discount Bond		
- Cash Management Bill	Thursday and/or Friday	Every week
- 1-, 3- and 6-month	Tuesday	Every week
- one-year	Tuesday	Every month
2. Fixed-coupon Bond		
- 2-year	Thursday	Every even month
- 3-year	Thursday	Every odd month
- 4-year	Tuesday	Every quarter
3. Floating-rate Bond		
- 2-year	Friday	Every odd month
- 3-year	Friday	Every even month

2. Issue sizes

In 2012, the BOT will reduce the number of issues of BOT Bonds while increasing the amount outstanding per issue, aiming to enhance liquidity of the BOT Bonds trading in the secondary market. The BOT will expand the issue size per auction of the bonds with maturities ranging from one-year onwards, at first, and re-open the same issues a few times such that the outstanding amount per issue is built up to around 80,000 million baht or more. The details of the planned issue sizes in 2012 are shown in the table below.

Type of Bond	Issue size per Auction (Million Baht)	Outstanding Per Issue (Million Baht)	Number of Issue Per Year
1. Discount Bond			
- Cash Management Bill	60,000 – 100,000	60,000 – 100,000	52 – 78
- 1-, 3- and 6-month	15,000 – 22,000	15,000 – 22,000	52
- 1-year	30,000 – 50,000	80,000 – 120,000	4
2. Fixed-coupon Bond			
- 2- and 3-year	30,000 – 50,000	80,000 – 120,000	2
- 4-year	20,000 – 40,000	80,000 – 120,000	1
3. Floating-rate Bond			
- 2- and 3-year	10,000 – 15,000	60,000 – 90,000	1

The planned amount of BOT Bonds sold in 2012 is primarily determined by the amount of maturing BOT Bonds during the same period so that the liquidity in the money market is kept at the appropriate level.

The Bank of Thailand will consider the prevailing money and bond markets conditions when determining the issue size and maturity distribution of the bonds. In addition, the BOT continually coordinates with the Public Debt Management Office closely to ensure that the supply of government bonds is also taken into account. The monthly BOT Bonds auction calendar with exact amount specified will be announced on the Bank of Thailand website as customary.

Bank of Thailand

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