



BANK OF THAILAND

**BOT Press Release**

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### **The Planned Issuance Programme for Bank of Thailand Bonds in 2013**

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 has adjusted the bonds issuance to accommodate market demand as well as to enhance liquidity in the secondary market. The adjustments primarily included 1) a change of auction days for the two-year and three-year fixed-coupon BOT bonds to avoid such bonds maturing on Saturday or Sunday and 2) a reduction in the number of new issues while increasing the amount outstanding per issue.

For 2013, the BOT, in consultation with bond market participants, planned to make further adjustments to the bond issuance programme in line with the changing market conditions and to further facilitate bond market development. The planned issuance programme for BOT bonds in 2013 are as follows:

#### **1. Cancellation of several types of BOT bonds while introducing a new product**

In 2013, the BOT will cease issuing the four-year fixed-coupon BOT bonds, in line with a potential surge in the supply of long-term bonds due to increased government's funding needs. Furthermore, as the overall net excess liquidity in the system is projected to barely change going forward, this lessens the need to expand the capacity to manage excess liquidity through longer-term bonds issuance.

In addition, as the BOT aims to enhance liquidity of the floating-rate bonds (FRB) by increasing the amount outstanding per issue, the BOT will issue only one type of FRB, namely, the three-year bond floated against 3-month BIBOR. The BOT will discontinue the issuance of both the two-year and three-year floating-rate bonds which were linked to 3-month and 6-month BIBOR respectively.

## 2. Auction schedule

In 2013, the auction calendar will remain the same as before, as shown in the following table.

Type of Bond	Auction Day	Auction Frequency
<b>1. Discount Bond</b>		
- Cash Management Bill (< 15-day)	Friday	Every week
- 1-, 3- and 6- month	Tuesday	Every week
- one-year	Tuesday	Every month
<b>2. Fixed-coupon Bond</b>		
- 2-year	Thursday	Every even month
- 3-year	Thursday	Every odd month
<b>3. Floating-rate Bond</b>		
- 3-year	Friday	Every even month

## 3. Issue sizes

In 2013, the BOT will raise the issue size per auction of short-term bonds while slightly lower that of medium-term bonds, consistent with liquidity conditions and the government bonds' planned issuance. On the whole, the amount of BOT bonds sold in 2013 will largely match the maturing ones. The details of the planned issue sizes in 2013 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
<b>1. Discount Bond</b>			
- Cash Management Bill	30,000 – 70,000	30,000 – 70,000	50 - 52
- 1-, 3- and 6- month	25,000 – 35,000	25,000 – 35,000	50 - 52
- 1-year	30,000 – 50,000	90,000 – 150,000	4
<b>2. Fix-coupon Bond</b>			
- 2- and 3-year	20,000 – 40,000	60,000 – 120,000	2
<b>3. Floating-rate Bond</b>			
- 3-year	10,000 – 15,000	60,000 – 90,000	1

The BOT 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 BOT website as customary.

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