

**No. 1/2017****The Planned Issuance Programme for Bank of Thailand Bonds in 2017**

The Bank of Thailand (BOT) regularly issues BOT bonds as an instrument of monetary policy to manage money market liquidity while fostering a liquid and efficient debt securities market in Thailand. The BOT has communicated the planned programme of issuance of BOT bonds annually to enhance effectiveness of market participants' liquidity management.

For 2017, the planned programme of issuance of BOT bonds has been put together following consultations with market participants, taking into consideration projected liquidity conditions, government's funding plans and bond market conditions, as follows:

1. Auction schedule

The auction days of the week and issuance frequencies will remain the same for all types of BOT bonds as shown in the table below.

- In February 2017, the BOT will open a new issue of 3-year floating-rate bond.
- In order to better accommodate seasonal liquidity factors, from December 2016 onwards, the opening months of new 1-year bills will be moved to March, June, September, and December, with the continuation of the current practice of monthly re-opening to enhance its liquidity in the secondary market.

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

2. Issue sizes

The maximum issue size of Cash Management Bill will be lowered while the same range of issue sizes will be maintained for others. The details of the planned issue sizes are shown in the following table.

Type of Bond	Issue Size per Auction (Million Baht)	Outstanding per Issue (Million Baht)	Number of Issue per Year
1. Bill			
- Cash Management Bill (<15-day)	10,000 – 50,000	10,000 – 50,000	As appropriate
- 1-month	10,000 – 30,000	10,000 – 30,000	As appropriate
- 3- and 6- month	20,000 – 60,000	20,000 – 60,000	50 - 52
- 1-year	20,000 – 60,000	60,000 – 180,000	4
2. Fixed-coupon Bond			
- 2- and 3-year	15,000 – 50,000	45,000 – 150,000	2
3. Floating-rate Bond			
- 3-year	8,000 – 15,000	100,000 – 180,000	1

Additionally, in 2017, the BOT will introduce a Post-Auction Option (PAO) feature on BOT bond auction whereby all successful competitive bidders, in the auction for bonds with original maturity of one year or longer, will be offered the option to purchase additional stock at a weighted-average accepted yield. This option will be granted only when there is large demand for the particular auctioned bonds. The PAO feature is expected to be in place in the second quarter of 2017, with the conditions and details to be later communicated to the market.

The BOT will consider the prevailing market conditions when determining issue size and maturity distribution of the bonds. In addition, the BOT will closely coordinate with the PDMO to take into account the forthcoming supply of government bonds and treasury bills. As usual, the monthly BOT bonds auction calendar with details of each specific issue will be announced on the BOT website.

Bank of Thailand
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