

No. 2/2020The Bank of Thailand Bond Issuance Program for 2020

The Bank of Thailand (BOT) regularly issues BOT bonds, one of the monetary policy instruments, to manage liquidity in the money market. BOT bond issuance also fosters liquid and efficient debt securities market in Thailand. The annual BOT bond issuance program is communicated to the market at the start of each year to allow market participants to plan their liquidity management accordingly.

For 2020, the BOT bond issuance program is planned taking into account projected liquidity conditions, government's funding plans, bond market conditions, as well as consultations with market participants. Details of the BOT bond issuance program for 2020 are as follows.

1. Auction schedules

Auction days and frequency are unchanged for all types of BOT bonds.

Types of Bonds	Auction Days	Auction Frequency
1. Bills		
- Cash Management Bill (2-week)	Friday	As appropriate
- 1-month	Tuesday	As appropriate
- 3- and 6-month	Tuesday	Every week
- 1-year	Tuesday	Every month
2. Fixed-coupon Bonds		
- 2-year	Thursday	Every month
- 3-year	Thursday	Every odd month
3. Floating-rate Bonds		
- 3-year	Friday	Every even month

2. Issue size

The maximum issue size per auction for the 3- and 6-month bills and 2-year bonds is reduced, in accordance with liquidity and bond market conditions, as well as the government's funding plans. Furthermore, the number of new 2-year bond issues per year will be reduced by extending the re-opening period from 2 to 5 months, while the monthly auction frequency remains unchanged. This could help support trading activities in the bond market. The new re-opening schedule will take effect starting from May 2020 onwards.

(The 2-year bond issued in February 2020 will still be re-opened twice in March and April 2020.) Details of bond issue size and total outstanding size in 2020 are as follows.

Type of Bonds	Issue size per auction (Million Baht)	Outstanding size per issue* (Million Baht)	Number of issues per year
1. Bills			
- Cash Management Bills (2-week)	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 – 50,000	20,000 – 50,000	50 - 52
- 1-year	20,000 – 60,000	20,000 – 72,000	12
2. Fixed-coupon bonds			
- 2-year	15,000 – 35,000	45,000 – 252,000	3
- 3-year	15,000 – 45,000	45,000 – 162,000	2
3. Floating-rate bonds			
- 3-year	8,000 – 25,000	48,000 – 180,000	1

* The outstanding size per issue includes any additional amount allocated in the Post-Auction Options (PAO), which currently may not exceed 20% of the auction size.

With regard to monthly BOT bond schedules, the auction size of each bond type will be determined given the conditions in the money and bond markets at the time. Working closely with the PDMO, the BOT will also take into account government and SOE's bill and bond supply when planning auction schedules. Monthly BOT bond auction schedules will be announced prior to the beginning of each month as has been done in previous years.

Bank of Thailand
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