



BANK OF THAILAND

BOT Press Release

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The Bank of Thailand Bond Issuance Programme for 2022

The Bank of Thailand (BOT) issues BOT bonds as one of the monetary policy instruments used to manage money market liquidity, while fostering the development of a liquid and efficient debt securities market in Thailand. The annual BOT bond issuance programme is regularly communicated to the market at the start of each year to facilitate smooth and efficient liquidity management among market participants.

For 2022, the BOT bond issuance programme continues to take into account the increased financing needs of the government to fund Covid-19 relief measures. To this end, the BOT and the Public Debt Management Office (PDMO) have been collaborating closely on bond issuance, in order to maintain an appropriate level of overall public sector bond supply throughout the year. In addition, the BOT will further promote the development of THOR, the Thai Overnight Repurchase Rate, as a new reference rate by increasing supply of floating-rate bonds (FRB) indexed to THOR.

Details of the 2022 BOT bond issuance programme are as follows.

1. Reduction in auction size and frequency of the 2-year fixed-rate bonds

to accommodate the PDMO's plan to increase issuance in the 3 to 5-year sectors. Beginning in May 2022, we will reduce the auction frequency of the 2-year fixed-rate bonds from every month to every other month and reduce the number of re-openings from 5 to 2. (The current on-the-run issue BOT23NA will be re-opened monthly for a total of 5 times until April 2022, as previously announced.)

In 2022, the BOT will still not issue new supply of 6-month bills and 3-year fixed-rate bonds, which have been discontinued since 2021. The PDMO will regularly auction these tenors instead.

2. Expansion of issue size and maturity of the THOR-linked FRB.

In 2022, the BOT plans to increase supply of THOR-linked FRB to promote the use of the new reference rate. We will raise the auction sizes of the 6-month and 1-year THOR-linked FRB in line with growing investors' demand. Furthermore, we will introduce a new 2-year FRB in June 2022. Auctions will take place every even month (alternating with the 2-year fixed-rate bonds) and each issue will be re-opened twice.

BOT Bond Auction Schedules for 2022

Types of Bonds and Bills ^{1/}	Auction Days	Auction Frequency
1. Bills		
- 3-month	Tuesday	Weekly
- 1-year	Tuesday	Monthly
2. Fixed-coupon Bonds		
- 2-year	Thursday	Every odd month
3. THOR-linked Floating-rate Bonds (FRB)		
- 6-month	Thursday	Monthly
- 1-year	Thursday	Monthly
- 2-year	Thursday	Every even month

BOT Bond Auction Sizes for 2022

Types of Bonds and Bills ^{1/}	Issue Size per Auction (Million Baht)	Outstanding size per issue ^{2/} (Million Baht)	Number of issues per year
1. Bills			
- 3-month	10,000 – 60,000	10,000 – 60,000	50 - 52
- 1-year	10,000 – 60,000	10,000 – 72,000	12
2. Fixed-coupon Bonds			
- 2-year	10,000 – 30,000	30,000 – 108,000	2
3. THOR-linked Floating-rate Bonds (FRB)			
- 6-month	10,000 – 40,000	10,000 – 40,000	12
- 1-year	10,000 – 40,000	10,000 – 48,000	12
- 2-year	10,000 – 40,000	30,000 – 144,000	2

1/ For 6-month bills and 3-year fixed rate bonds that have been discontinued since 2021, the BOT may consider resuming issuance if necessary and will inform market participants in advance.

2/ The outstanding size per issue includes additional 20% maximum amount that may be allocated in the Post-Auction Options (PAO).

For the monthly bond schedule, auction sizes will be determined based on the prevailing conditions in the money and bond markets, as well as the government and SOE's bond supply at the time. The BOT will continue to collaborate closely with the PDMO and will announce the monthly auction calendars on the BOT website as customary.

Bank of Thailand

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