

BOT to issue the first THOR-linked floating rate bond in March 2021

Miss Vachira Arromdee, Assistant Governor for the Financial Market Operations Group of the Bank of Thailand (BOT), revealed that the BOT will issue the first 6-month THOR-linked floating rate bond (FRB) in March 2021. This marks an important milestone in promoting the use of THOR as a new reference rate in derivatives and cash products, as well as increasing the choice of interest rate hedging instruments in the financial market.

The first auction of the 6-month FRB will take place on March 25th with an issue size of THB 30 billion. Institutional investors such as commercial banks, mutual funds, and insurance companies are allowed to participate in the auction. In the coming months, the BOT plans to issue the FRB regularly and will consider raising issue sizes, increasing auction frequency, or adding new tenors as investors' demand becomes stronger.