Asia Securities Forum 2024

Road to Sustainable Asia – Transition Driven by the Capital Market

Thai Bond Market Report

23 October 2024

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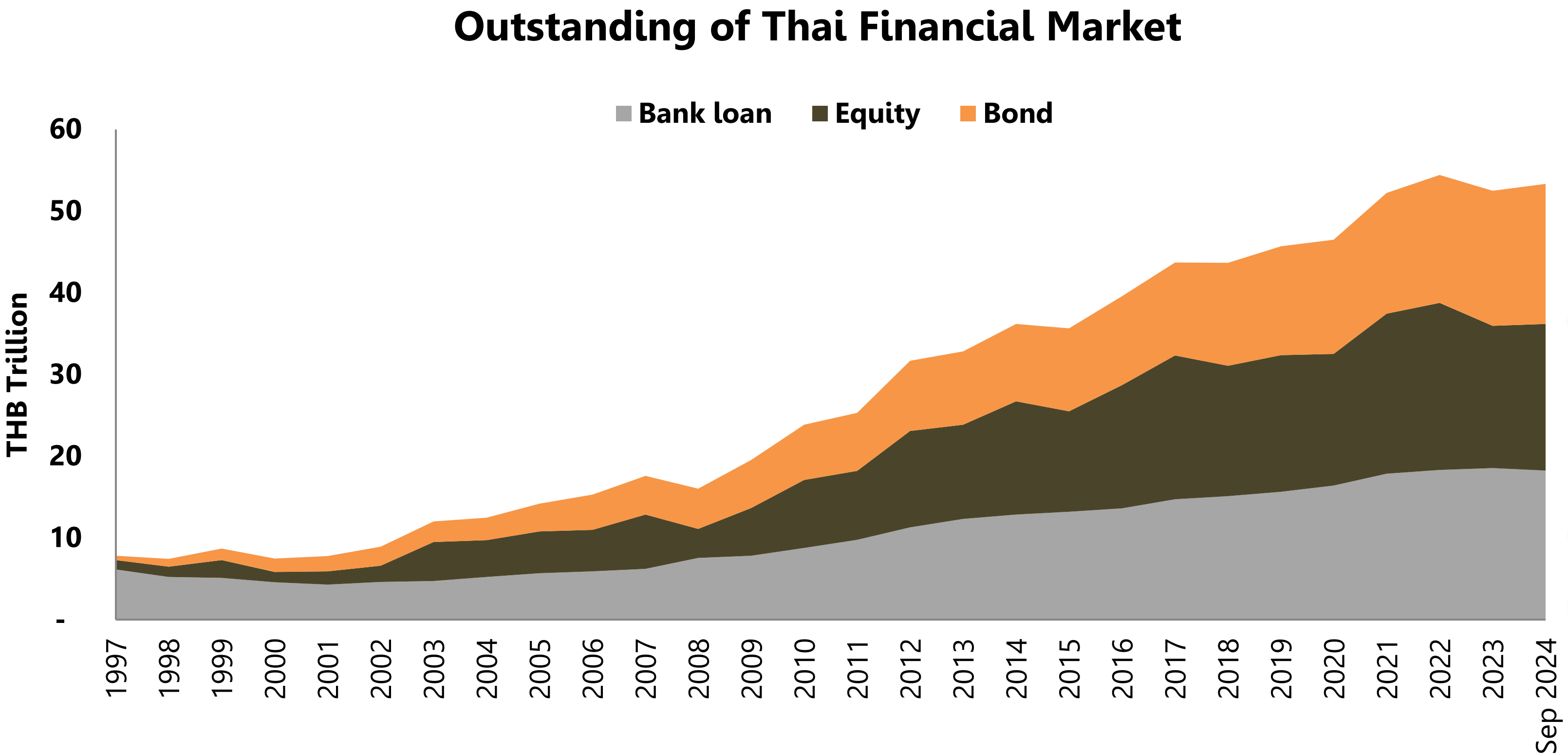
Thai Bond Market Association

Three Pillars of Thai Financial Market

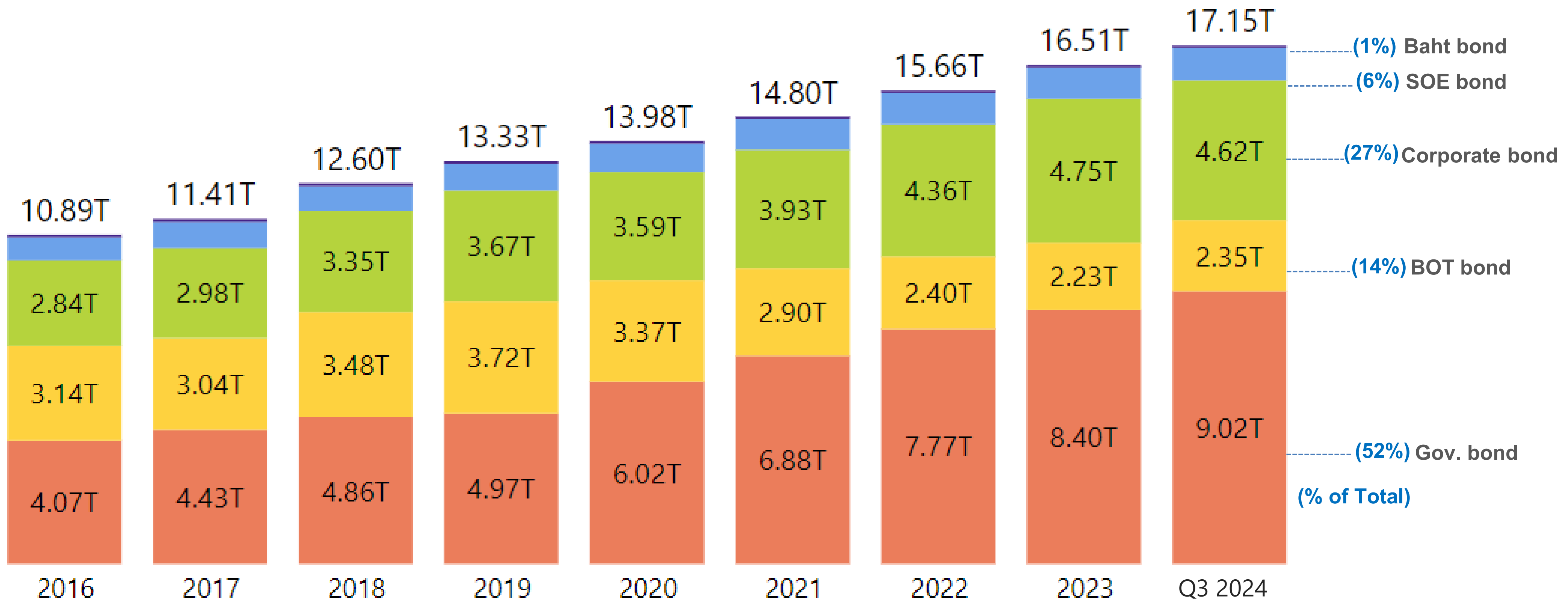


Funding Sources	Outstanding (THB Trillion)	% of financial market	% of GDP
Bond	17.2	32.1	96
Equity	18.0	33.7	100
Bank Loan	18.2	34.2	102
Total	53.4	100.0	298

*(*GDP in year 2023 was THB 17.92 Trillion)*

- The total outstanding value of Thailand’s financial market was THB 53.4 trillion at the end of Sep 2024.
- Bond market value was 32% of financial market and 96% of GDP.

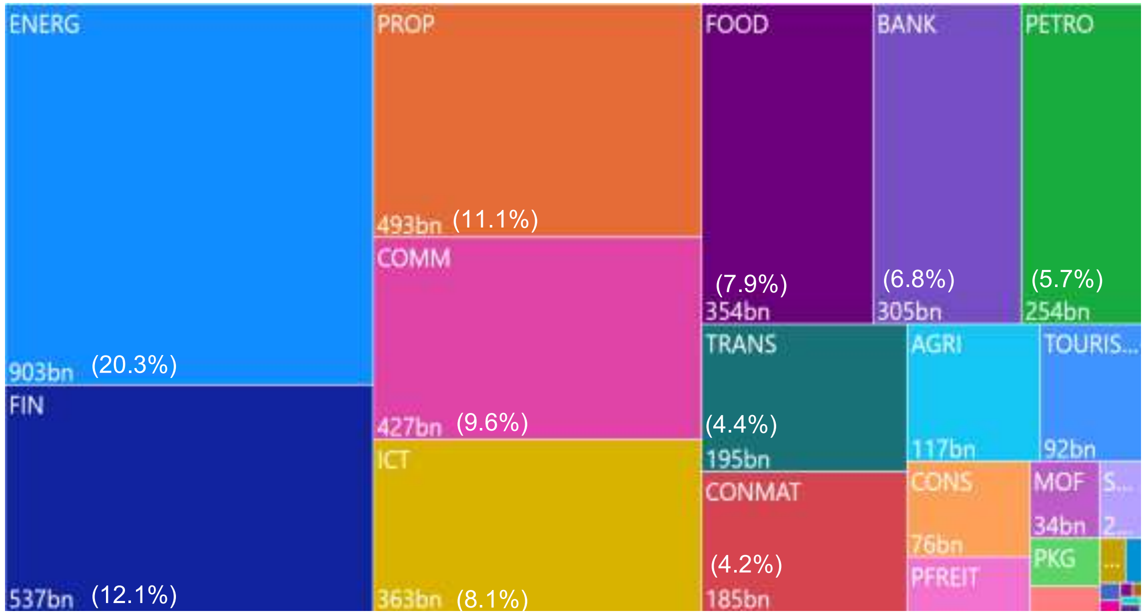
Composition of Thai bond market



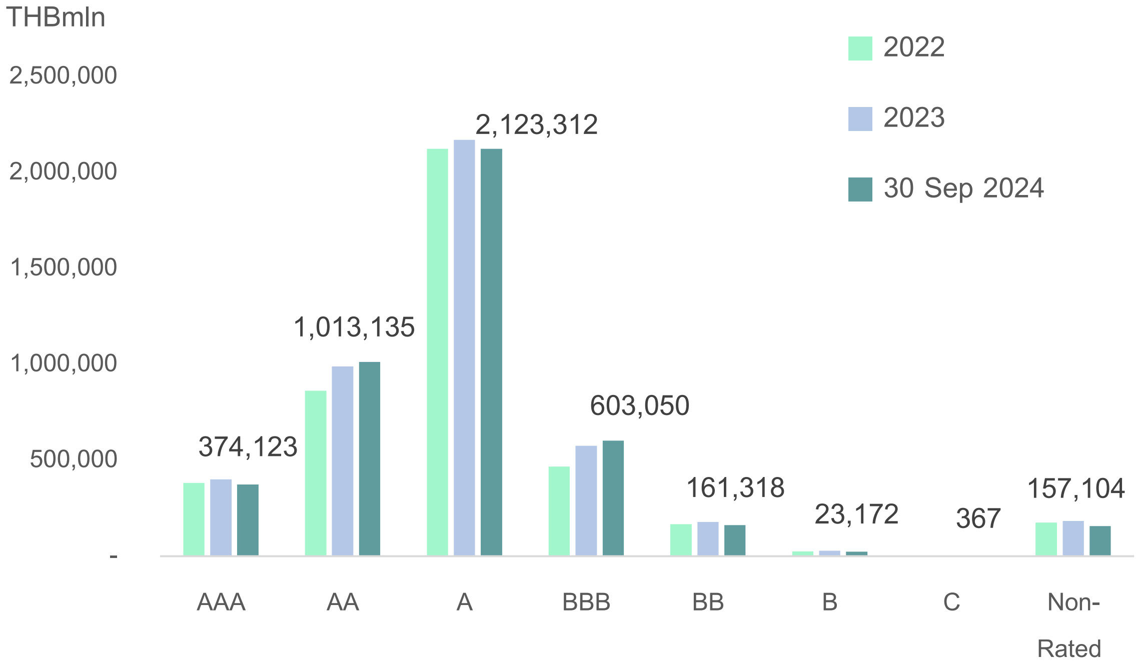
- Thai bond market expands 3.9% in the first three quarter 2024 thanks mainly to the increase in government bonds.

Outstanding value of long-term corporate bonds, classified by industry and credit rating

Outstanding value of long-term corporate bonds, breakdown by industry group



Outstanding value of long-term corporate bonds, classified by credit rating group

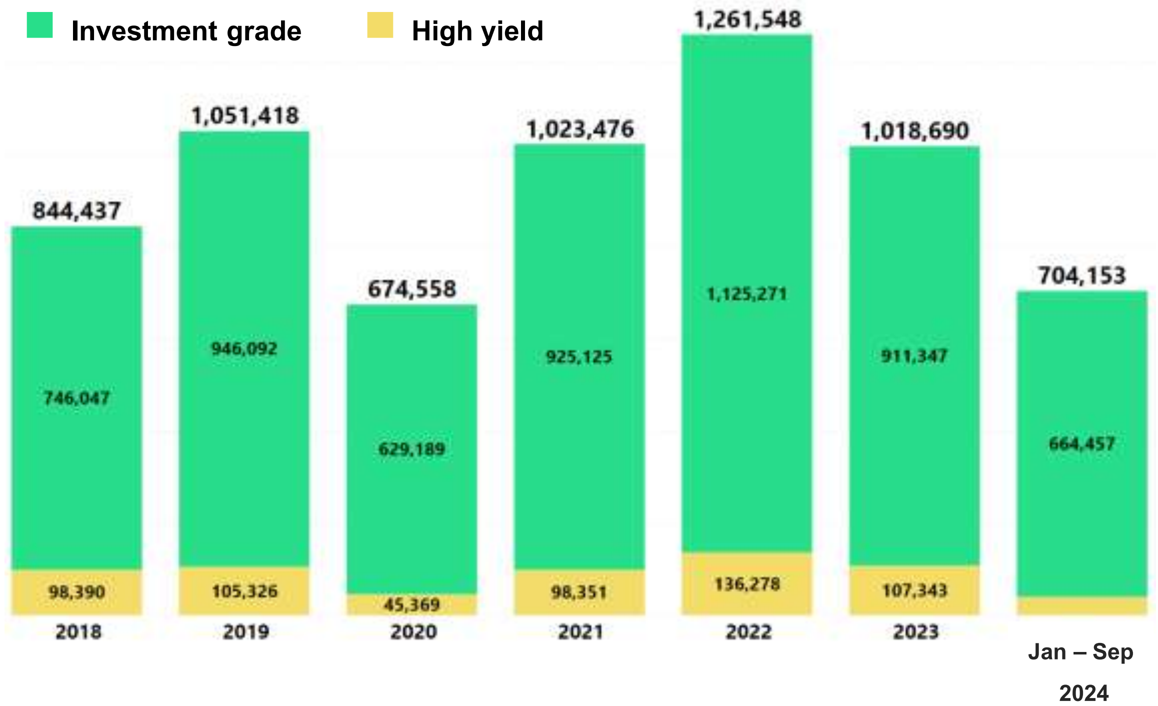


- At Q3, the outstanding value of long-term corporate bonds is at THB 4.46 trillion.
- The top 5 business sectors of long-term corporate bond accounted for 61% of the total outstanding of long-term corporate bond.

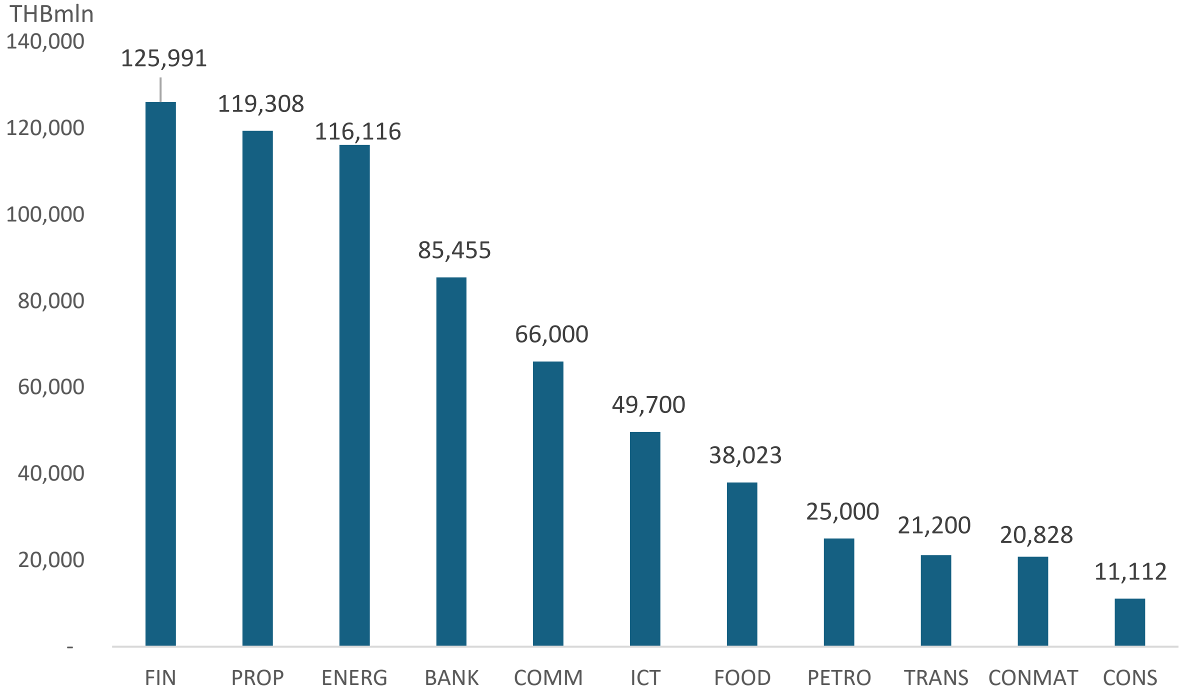
- Credit Rating Group A has the highest outstanding value of long-term corporate bonds.

Long-term Corporate bond issuance

Long-term Corporate Bond Issuance in 2018-2024 by year (THB Million)



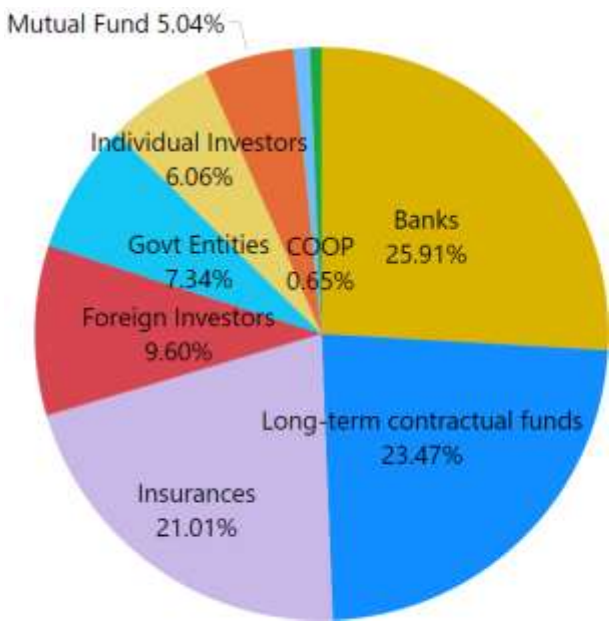
Long-term Corporate Bond Issuance in the first nine month in 2024, breakdown by industry group (THB Million)



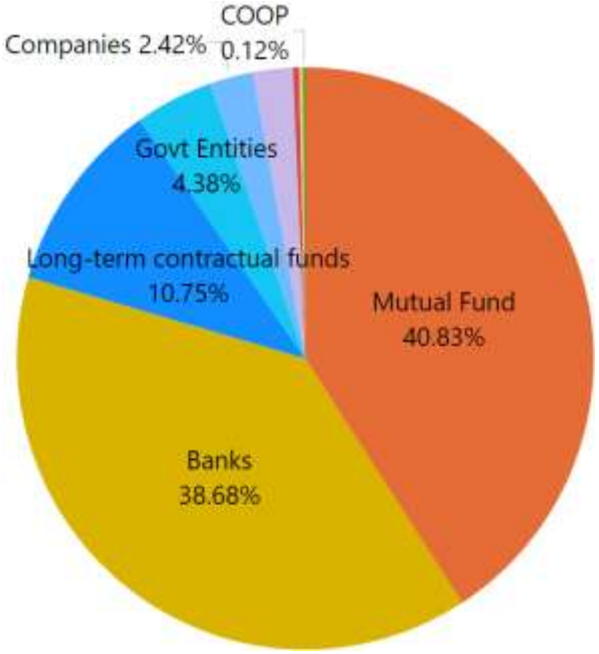
- At the end of Sep 2024, long-Term corporate bond issuance was at THB 704 billion, with 94.4% being investment-grade.
- Financial sector has the highest long-term corporate bond issuance, followed by property and energy sectors, respectively.

Holders of Government bond, Bank of Thailand bond and Corporate bond (as of Q2 2024)

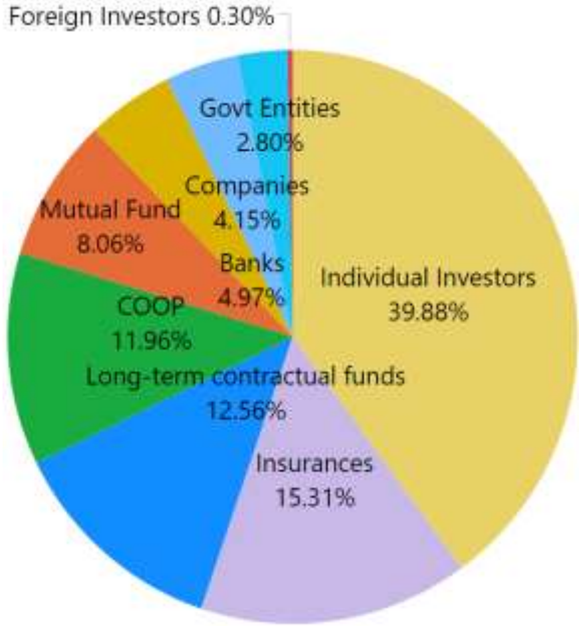
Investor Groups of Government bond



Investor Groups of Bank of Thailand bond



Investor Groups of Corporate bond



During Q1 to Q3 2024, 2-y Thai bond yield decreased with slower pace than US 2-Y

US 2Y YTD -0.60%

TH 2Y YTD -0.20%

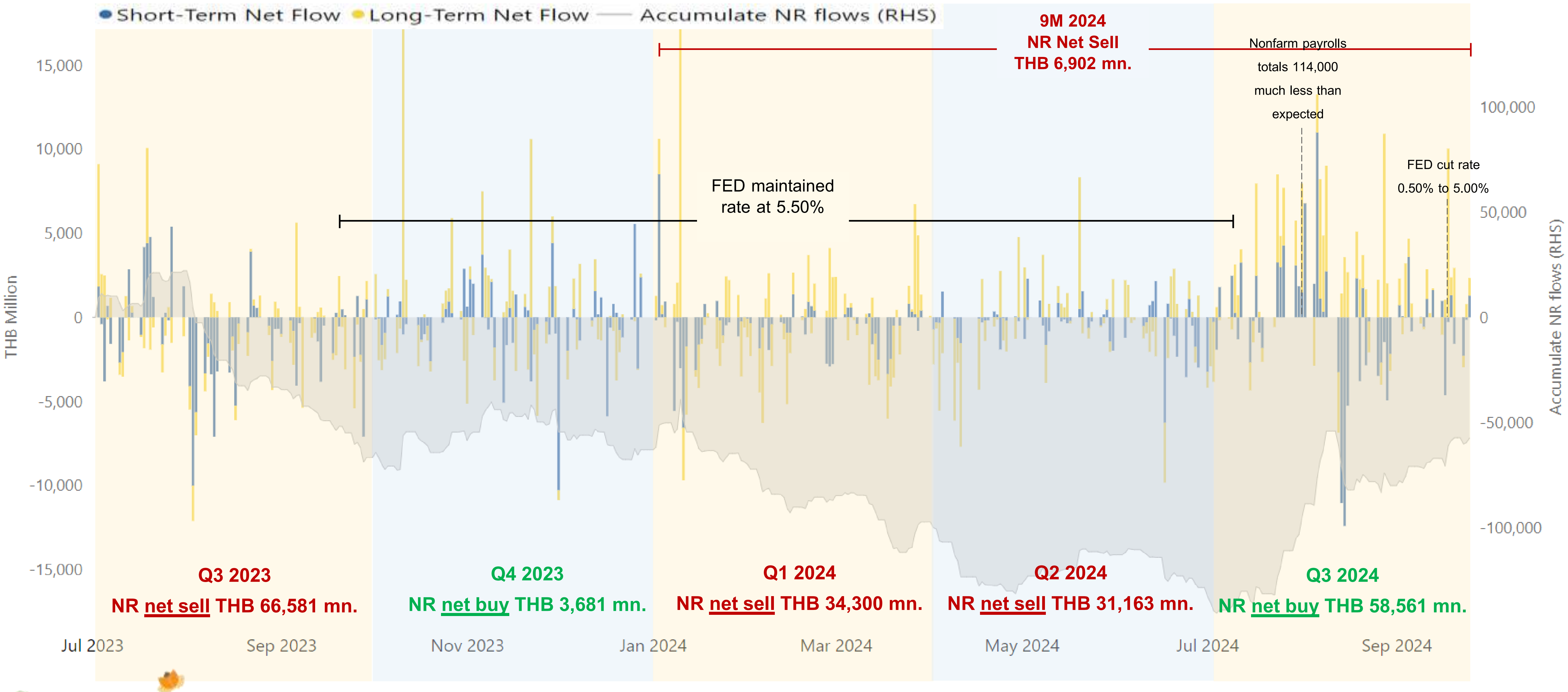
Remark:

In 2024 The Federal Reserve lowered its benchmark rate by 0.50% (18 Sep 2024). Meanwhile, the Thai policy interest rates has still stable.

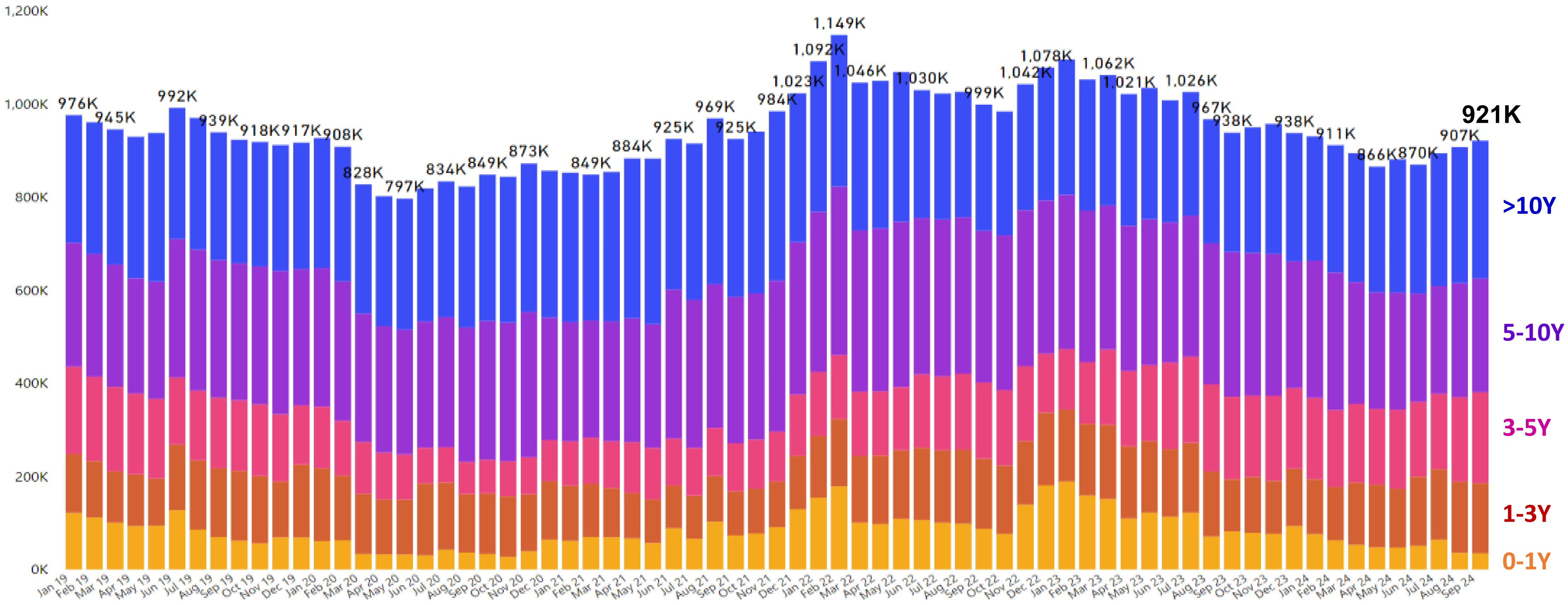
In 2023 The Federal Reserve increased interest rates 4 times from the 8 meetings (Feb, Mar, May, Jul) totaling 1.0% Meanwhile, the Thai policy interest rates increased interest rates 5 times from 6 meetings (Jan, Feb, Mar, May, Aug, Sep) totaling 1.25%

In 2022 The Federal Reserve increased interest rates 7 times from the 8 meetings (Mar, May, Jun, Jul, Sep, Nov, Dec), totaling 4.25%. Meanwhile, the Thai policy interest rates increased interest rates 3 times from 6 meetings (Aug, Nov, Dec), totaling 0.75%.

Non-resident investors net sold Thai bonds for THB 6,902 million during Q1-Q3 2024



Non-resident holding of Thai bonds was THB 921 billion or 5.4% of total outstanding in Q3 2024



- As of Q3 2024, non-resident held Thai bonds have average time to maturity of 8.8 years, slightly longer than 8.6 years at the end of 2023.

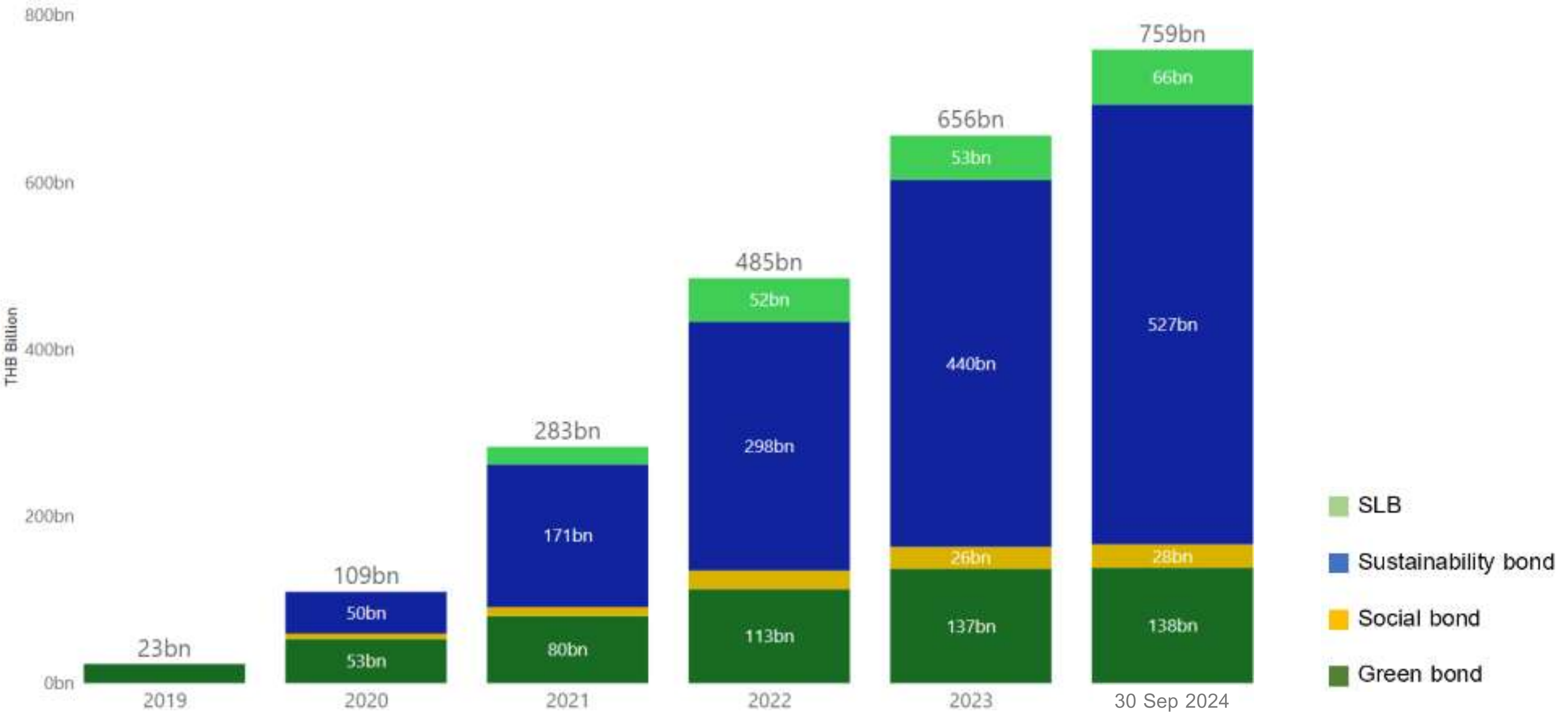
With the lower government bond yield, costs of borrowing of corporate bond generally declined except the group of lower rating issues

(Bps.)	Chg in 20	Chg in 21	Chg in 22	Chg in 23	Chg in 24
BBB	+66	-32	+50	+39	+8
BBB+	+84	-8	+10	+21	-1
A	+37	-12	+63	+31	-12
AA	-49	+38	+97	+25	-25
AAA	-36	+33	+87	+40	-14
Gov	-65	+68	+67	+49	-22

5-y corporate bond yields

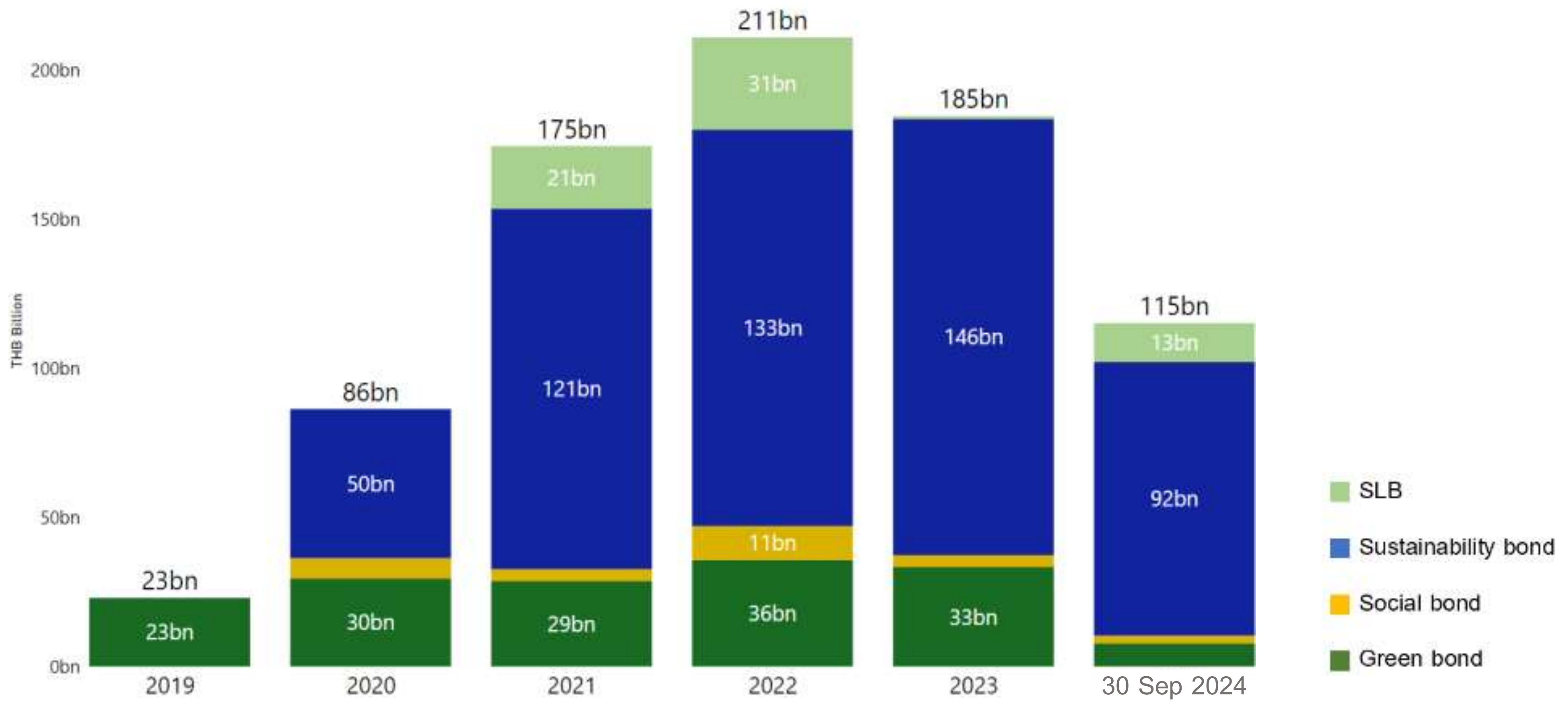
30 Years ThaiBMA THE THAI BOND MARKET ASSOCIATION

ESG bond outstanding, accounting for 4.4% of Thai bond market



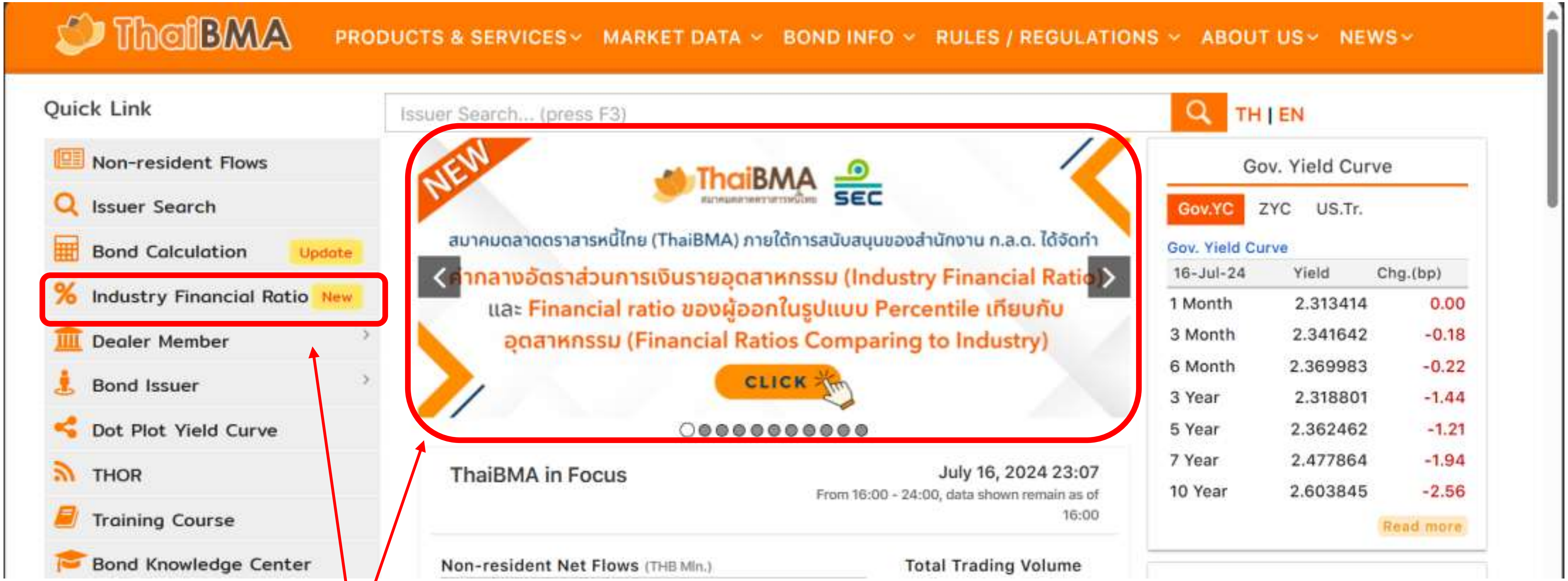
- ESG bonds outstanding at the end of Sep 2024 was THB 759 billion, accounting for 4.4% of Thai bond market outstanding value.
- Corporate ESG bonds outstanding was THB 218 billion, accounting for 4.9% of the total long-term corporate bonds outstanding value.

ESG bond issuance in Thailand



- ESG bond issuance as of Sep 2024 amounted to THB 115 billion, dominated by sustainability bond issued by MOF.

Industry Financial Ratio



go to https://www.thaibma.or.th/ and then Industry Financial Ratio at Quick Link and Banner

Industry Financial Ratio

Industry Average

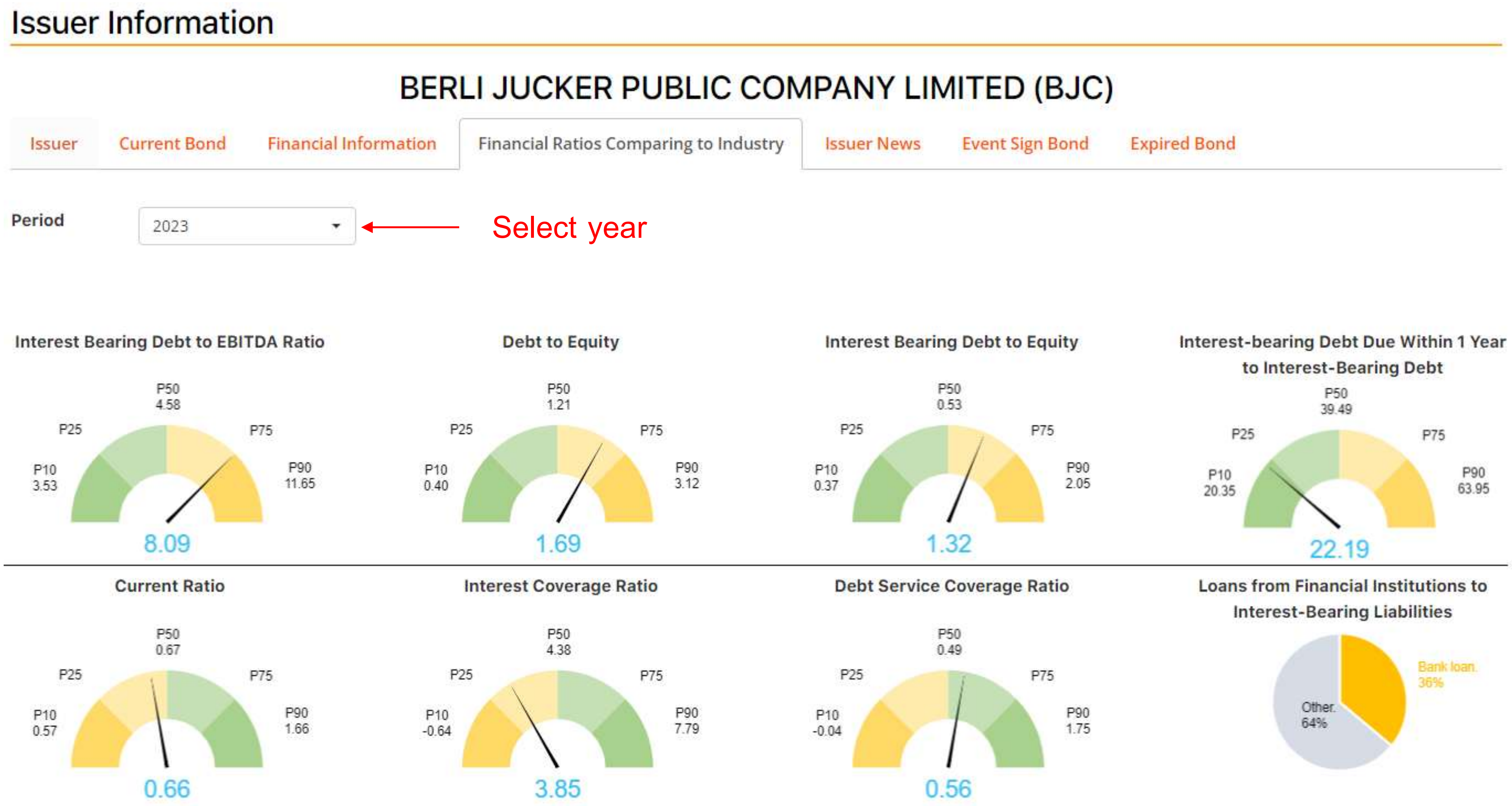
Period 2023 ← Select year

Sector Commerce ← Select sector

Commerce Sector 2023

	Mean	SD	P10	P25	Median P50	P75	P90
1. Current Ratio	0.75	0.36	0.57	0.61	0.67	0.89	1.66
2. Interest Coverage Ratio	5.06	2.53	-0.64	3.83	4.38	6.45	7.80
3. Interest Bearing Debt to EBITDA Ratio	5.20	2.15	3.53	4.20	4.58	8.09	11.65
4. Debt Service Coverage Ratio	0.37	0.78	-0.04	0.17	0.50	1.05	1.75
5. Debt to Equity	1.48	1.04	0.40	0.81	1.21	1.77	3.12
6. Interest Bearing Debt to Equity	1.02	0.77	0.37	0.40	0.53	1.46	2.05
7. Interest-bearing Debt Due Within 1 Year to Interest-Bearing Debt	40.13	18.64	20.35	22.58	39.49	56.32	63.95
8. Loans from Financial Institutions to Interest-Bearing Liabilities	40.30	33.86	0.00	9.37	42.16	62.26	80.90

Issuer financial ratios ranked in percentile, compared to industry benchmarks



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