

Thai Bond Market Movement in 2006

I. Primary Market

New issues of registered bonds at the Thai BMA increased significantly by 62.16% in 2006. The total new issues of registered bonds at the ThaiBMA stood at THB 3,077.38 bln in 2006, 62.16% higher than THB 1,897.76 bln in 2005 (See Table 1). The Bank of Thailand (BOT) bonds were auctioned off at THB 1,001.60 bln in 2006, up by 1.35% from the previous year. New issues of corporate bonds edged up to THB 144.47 bln, increasing by 6.67% from the previous year. The number of such issues rose from 37 companies in 2005 to 73 companies in 2006, with the issue size ranging from THB 0.05 bln to THB 25 bln, and the issue rating ranging from AAA to BBB.

State Owned Enterprise (SOE) new issuance registered bonds totaled THB 69.73 bln in 2006, or 30.37% lower than those in 2005. Meanwhile, the auctioned T-Bills amounted to THB 895.20 bln, up by 81.21% from the previous year; whereas the auctioned government bonds amounted to THB 220.72 bln, up by 27.66% from those in 2005.

Outstanding Value of ThaiBMA Registered Bonds

The total outstanding value of ThaiBMA registered bonds as of December 2006 amounted to THB 3,951.31 bln, representing an increase of 26.56% from THB 3,122.16 bln in 2005. This total outstanding value consisted of THB 1,469.26 bln of government bonds, THB 896.70 bln of State Agency (SA) bonds, THB 608.91 bln of corporate bonds, THB 348.48 bln of guaranteed SOE bonds, THB 142.44 bln of non-guaranteed SOE bonds, and THB 228 bln of T-Bills (See Table 2).

The largest portion of corporate bonds outstanding was in the energy sector (22.89%), followed by financial institutions sector (12.24%), communication sector (9.51%), banks sector (9.50%), building sector (1.71%), chemicals sector (1.42%), and holding company sector (0.02%). In terms of credit rating, the majority of corporate bonds are A-rated bonds, accounting for THB 565.26 bln or 93% of the total outstanding value. The remaining 7% consisted of THB 36.53 bln of B-rated bonds (6%) and THB 7.12 bln of non-rated bonds (1%). (See Figures 1 and 2).

TABLE 1 : The ThaiBMA New Issuance Registered Bonds

Unit : THB Billion

| Type | 2005 | 2006 | Growth |
|---------------------------|-----------------|-----------------|--------------|
| Government Bonds | 172.90 | 220.72 | 27.66 |
| T-Bills | 494.00 | 895.20 | 81.21 |
| SOE Bonds | 100.14 | 69.73 | -30.37 |
| State Agency Bonds | 988.28 | 1,001.60 | 1.35 |
| Long Term Corporate Bonds | 135.44 | 144.47 | 6.67 |
| Commercial Papers | n.a | 736.56 | n.a |
| Foreign Bonds | 7.00 | 9.10 | 30.00 |
| Total | 1,897.76 | 3,077.38 | 62.16 |

Source : BOT, SEC and MOF

TABLE 2 : ThaiBMA Registered Bonds Outstanding

Unit : THB Billion

| Type | 2005 | 2006 | Growth |
|---------------------------|-----------------|-----------------|--------------|
| Government Bonds | 1291.66 | 1,469.26 | 13.75 |
| T-Bills | 209.00 | 228.00 | 9.09 |
| State Enterprises Bonds | 486.12 | 490.92 | 0.99 |
| - Guaranteed | 361.76 | 348.48 | -3.67 |
| - Non Guaranteed | 124.36 | 142.44 | 14.54 |
| State Agency Bonds | 641.33 | 896.70 | 39.82 |
| Long Term Corporate Bonds | 487.04 | 608.91 | 25.02 |
| Commercial Papers | 0.00 | 241.42 | n.a |
| Foreign Bonds | 7.00 | 16.10 | 130.00 |
| Total | 3,122.16 | 3,951.31 | 26.56 |

Source : BOT, SEC and MOF

Remark : Preliminary figures collected from the following registrars : BAY,BBL,BFIT, KBANK,TSD, ect.

Figure 1: Corporate Bonds Outstanding Value by Business Sector as of December 29, 2006

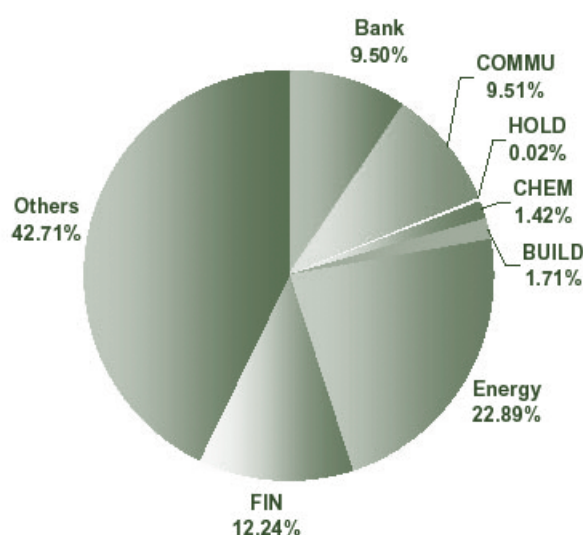
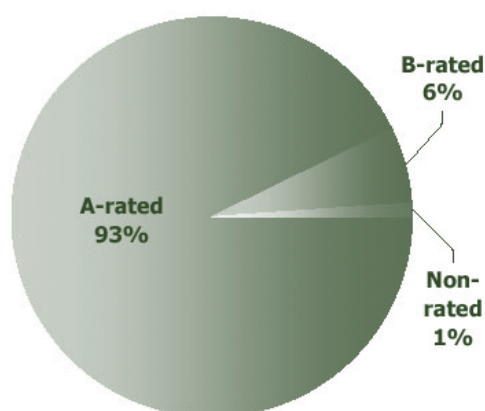


Figure 2: Corporate Bonds Outstanding Value by Rating as of December 29, 2006



II. Bond Trading Activities in 2006

In 2006, total bond trading value was THB 4,277.50 bln, 51.84% higher than in 2005 (See Table 3). Average daily trading value surged to THB 17.60 bln in 2006, compared to THB 11.50 bln in 2005. Trading activities were concentrated in SA bonds, most of which were BOT bonds, accounting for THB 1,968.20 bln or 46.01% of the total trading value in 2006. This was followed by THB 1,500.20 bln of T-Bills, THB 631.12 bln of government bonds, and THB 83.83 bln of SOE bonds, representing a share of 35.07%, 14.75%, and 2.96% of the total trading value, respectively. With regard to SOE bonds, the total trading value of guaranteed SOE bonds and non-guaranteed SOE bonds were worth THB 51.55 bln and THB 32.28 bln, respectively.

TABLE 3 : ThaiBMA Trading and Outstanding Value in 2005-2006

Unit : THB Million

| Type of Securities | 2005 | | 2006 | | % change | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|
| | Trading | Outstanding | Trading | Outstanding | Trading | Outstanding |
| Government | 438,157.52 | 1,291,663.90 | 631,117.30 | 1,469,263.55 | 44.04 | 13.75 |
| State Enterprise | 110,079.47 | 486,122.82 | 83,832.72 | 490,921.75 | -23.84 | 0.99 |
| - Guaranteed | 71,928.46 | 361,761.19 | 51,554.84 | 332,900.01 | -28.32 | -7.98 |
| - Non Guaranteed | 38,151.01 | 124,361.63 | 32,277.87 | 158,021.74 | -15.39 | 27.07 |
| T- Bills | 9,844.94 | 209,000.00 | 1,500,202.87 | 223,000.00 | 65.14 | 9.09 |
| State Agency | 1,282,437.01 | 641,332.00 | 1,968,201.76 | 896,702.00 | 53.47 | 39.82 |
| Corporate | 77,685.45 | 487,037.40 | 92,543.82 | 850,327.33 | 19.13 | 74.59 |
| Foreign | 394.00 | 7,000.00 | 1,602.01 | 16,100.00 | 306.60 | 130.00 |
| Total Value | 2,817,202.39 | 3,122,156.12 | 4,277,500.48 | 3,951,314.63 | 51.84 | 26.56 |
| - Monthly Average | 234,766.87 | | 356,458.37 | | | |
| - Daily Average | 11,498.79 | | 17,602.88 | | | |
| - No. of trading days | 245 | | 243 | | | |
| No. of transactions | 40,870.00 | | 52,117.00 | | | |
| - Monthly Average | 3,408 | | 4,343 | | | |
| - Daily Average | 167 | | 214 | | | |
| Dealer Participation | 41 | | 40 | | | |

Trading value of corporate bonds in 2006 totaled THB 92.54 bln or 2.16% of the total trading value. The total trading value of corporate bonds consisted of bonds in the energy sector (21.73%), financial institutions sector (17.93%), banks sector (11.98%), communication sector (10.27%), construction material sector (6.70%), transportation and logistics sector (5.56%), building sector (3.40%), and others (22.44%).

Market Participants

In 2006, total outright trading value amounted to THB 4,278.06 bln, 70% (or THB 2,975.87 bln) of which came from transactions between dealers and their clients, and the remaining 30% or THB 1,302.19 bln was from the transactions among dealers themselves. Major investors trading bonds with dealers included mutual funds, (40%), foreign companies (FCO) (18%), domestic companies (DCO) (12%), non-dealer financial institutions (NDL) (7%), insurance companies (3%), and others (20%).

The top ten active member dealers in 2006 comprised seven domestic banks, namely, Kasikornbank Public Company Limited, Siam Commercial Bank Public Company Limited, Bank Thai Public Company Limited, Bangkok Bank Public Company Limited, Standard Chartered Bank (Thai) Public Company Limited, TMB Bank Public Company Limited, and United Overseas Bank (Thai) Public Company Limited; and three foreign banks: Deutsche Bank AG, The Hongkong and Shanghai Banking Corporation Limited, and Citibank, N.A. Kasikornbank captured the highest share of the market (14.57%), followed by Siam Commercial Bank (14.55%), Deutsche Bank (8.81%), Bank Thai (8.08%), Bangkok Bank (7.63%), Standard Chartered Bank (7.29%), TMB Bank (7.17%), UOB Bank (6.54%), HSBC Bank (4.84%), and Citibank (4.35%) (See Table 4).

Table 4: Top ten active member dealer 2005

| Rank | Dealers | % Market Share (Outright) | Outright | Trading Value | | Total |
|--------------|---|---------------------------|-----------------|-----------------|---------------|-----------------|
| | | | | Financing | Other | |
| 1 | Kasikornbank Plc. | 14.57 | 812.98 | 311.67 | 19.23 | 1,143.88 |
| 2 | Siam Commercial Bank Plc. | 14.55 | 811.80 | 589.25 | 1.91 | 1,402.97 |
| 3 | Deutsche Bank AG, Bangkok Branch | 8.81 | 491.85 | 2.59 | 0.51 | 494.95 |
| 4 | Bank Thai Plc. | 8.08 | 451.00 | 13.57 | 0.85 | 465.42 |
| 5 | Bangkok Bank Plc. | 7.63 | 425.84 | 380.60 | - | 806.45 |
| 6 | Standard Chartered Bank (Thai) Plc. | 7.29 | 408.77 | 61.92 | 12.71 | 481.41 |
| 7 | TMB Bank Plc. | 7.17 | 400.37 | 0.78 | 8.00 | 409.15 |
| 8 | United Overseas Bank (Thai) Plc. | 6.54 | 365.12 | 21.13 | 19.76 | 406.01 |
| 9 | The Hongkong and Shanghai Banking Co., Ltd. | 4.84 | 270.16 | 137.28 | - | 407.45 |
| 10 | Citibank, N.A., Bangkok Branch | 4.35 | 242.68 | 8.55 | - | 251.24 |
| 11 | Other | 16.16 | 901.67 | 976.30 | 228.63 | 2,108.61 |
| Total | | 100.00 | 5,580.26 | 2,503.65 | 291.61 | 8,375.50 |

Market Liquidity

In 2006, the turnover ratio (outright transaction only) for all types of bonds was 108.25%, up by 19.97% from the ratio of 90.23% in 2005. The turnover ratio of T-Bills was 657.98%, compared to 434.66% in 2005, or an increase of 51.38%. The turnover ratio for SA bonds was 219.49%, followed by that of government bonds (42.95%), SOE bonds (17.08%), and corporate bonds (14.61%), respectively.

The top five active issues of government bonds were LB167A, LB137A, LB213A, LB267A and LB095C (See Table 5), whereas the top five active SOE bonds were GHB08OC, PEA149A, PEA127A, PEA118A and ETA143A (See Table 6). With regard to corporate bonds, the top five active issues were KTB093A, PTTC15NA, EFAI07OA, PTTC16OA and UTT07DA (See Table 7).

Table 5 : Top 5 Most Active Government Bonds

| Issue | Type/ Rating | TTM (Yr) | YTM (%) | Trading Value (THB Mln) | % of Total Trading | Turnover Ratio (%) | Last trade Date |
|------------------------|-----------------|-------------|------------|-------------------------------|-----------------------|--------------------------|--------------------|
| GovernmentBonds | | | | | | | |
| LB167A | GB | 9.58 | 5.390000 | 121,710.33 | 2.85 | 234.06 | 29-Dec |
| LB137A | GB | 6.54 | 5.155000 | 76,553.91 | 1.79 | 147.22 | 29-Dec |
| LB213A | GB | 14.26 | 5.550000 | 68,258.56 | 1.60 | 235.37 | 29-Dec |
| LB267A | GB | 19.53 | 5.850000 | 42,875.28 | 1.00 | 168.14 | 29-Dec |
| LB095C | GB | 2.38 | 4.930000 | 41,798.11 | 0.98 | 133.97 | 29-Dec |

Table 6 : Top 5 Most Active State Owned Enterprise Bonds

| Issue | Type/ Rating | TTM (Yr) | YTM (%) | Trading Value (THB Mln) | % of Total Trading | Turnover Ratio (%) | Last trade Date |
|-------------------------------------|-----------------|-------------|------------|-------------------------------|-----------------------|--------------------------|--------------------|
| State Owned Enterprise Bonds | | | | | | | |
| GHB080C | G | 2.1 | 5.120000 | 2,524.54 | 0.06 | 126.23 | 26-Sep |
| PEA149A | - | 7.75 | 5.250000 | 2,333.52 | 0.05 | 95.25 | 28-Dec |
| PEA127A | - | 5.72 | 5.370000 | 2,115.76 | 0.05 | 117.54 | 02-Nov |
| PEA118A | - | 4.79 | 5.400000 | 1,997.03 | 0.05 | 92.89 | 01-Nov |
| ETA143A | G | 8.01 | 5.346985 | 1,979.78 | 0.05 | 98.99 | 17-Mar |

Table 7 : Top 5 Most Active Registered Corporate Bonds

| Issue | Type/ Rating | TTM (Yr) | YTM (%) | Trading Value (THB Mln) | % of Total Trading | Turnover Ratio (%) | Last trade Date |
|-----------------------------|-----------------|-------------|------------|-------------------------------|-----------------------|--------------------------|--------------------|
| Corporate Debentures | | | | | | | |
| KTB093A | /AA+(tha) | 2.31 | 5.235000 | 7,351.02 | 0.17 | 122.52 | 24-Nov |
| PTTC15NA | /AA+(tha) | 9.65 | 6.210000 | 5,153.49 | 0.12 | 103.07 | 03-Apr |
| EFAI070A | /AA- | 0.79 | 5.400000 | 4,802.05 | 0.11 | 54.57 | 27-Dec |
| PTTC160A | /AA+(tha) | 9.8 | 5.750000 | 4,643.05 | 0.11 | 58.04 | 27-Dec |
| UTT07DA | SEC/AAA | 0.95 | 5.200000 | 3,800.23 | 0.09 | 58.47 | 20-Dec |

Yield Movement and the ThaiBMA Bond Index

Short term yields with less than 3-year maturity were higher than those in 2005. The yield curve of government bond at the end of 2006 was flat due to the dramatic rise of short term yields while most of the medium and long-term yields decreased slightly. The medium and long-term government bond yields decreased because most investors expected that domestic interest rates would stop rising from the year 2005 and started to head downward. The yields of short-term bonds with 1 month to 3 years maturity moved in the range between-5 to 123 bp whereas those of medium-term bonds with 5-10 years maturity decreased by-3 to-14 bp and those of long-term bonds with more than 10 years maturity varied between-2 to 1 bp.

The ThaiBMA government clean price index closed the year 2006 at 96.43, with a positive total return of 5.46%. Returns on ThaiBMA government index subgroup 1 (1-3 years), subgroup 2 (3-7 years), subgroup 3 (7-10 years) and subgroup 4 (over 10 years) were 5.28%, 5.86%, 5.94%, and 6.17%, respectively.

Corporate clean price index closed at 101.03 at the end of December 2006 with a positive return of 1.44%. Also, total returns on corporate bond index rose from 1.17% in 2005 to 6.56% in 2006.

**Outlook of the Thai Bond Market in 2007
(Source: A survey on underwriters and active dealers)**

Primary Market

New debt securities in 2007 are expected to continue their expansion in both the government and corporate sectors. The government is likely to issue more debt securities to fund its investment projects that have been delayed in 2006 due to political uncertainties. These projects are expected to be speeded up in 2007. New corporate debt securities also are predicted to increase since private corporations need to raise more long-term capital to accommodate next year economic expansion. However, new issuance of T-Bills is likely to slow down in 2007 because the government plans to switch from issuance of T-Bills to long-term government bonds.

New government debt securities are expected to post a higher growth rate than other type of bonds or to increase by 56% from those in 2006, followed by SOE bonds and corporate bonds (excluding commercial papers). In the private sector, financial institutions are expected to issue more debt securities than other business sectors and most of the new issuance of corporate bonds is likely to concentrate on short term bonds with maturity not over 3 years.

Secondary Market

The secondary bond market is likely to grow continuously in 2007. Although the 30 per cent reserve requirement on capital inflows imposed by the BOT in December 2006 to stem speculation in the Thai Baht may deter foreign investors from investing in the Thai bond market, transactions of bonds in the secondary market in 2007 are likely to be more active than in 2006 because of high domestic demand and declining domestic interest rates. Active trading is expected to be concentrated in short-term bonds with maturity between 1 to 5 years due to lower supply and high demand on these short-term securities.

Yield Movement

The yields of government bonds are expected to rise at the beginning of 2007 due to less market liquidity following the introduction of the BOT's short-term capital control measures and high supply of long-term government bonds. However, the lower trend of domestic interest rates is expected to be a positive factor for the Thai bond market and will result in the government bond yield curve shifting down during the year 2007.

Table 8 : Yield Curve Prediction

| TTM | Yield (%) |
|----------------------------|-----------|
| 1 Month < TTM <= 1 Year | 4.25-5.10 |
| 2 Years < TTM <= 4 Years | 4.50-5.50 |
| 5 Years < TTM <= 10 Years | 4.60-5.75 |
| 10 Years < TTM <= 15 Years | 4.90-6.00 |
| TTM > 15 Years | 5.25-6.50 |

Appendices

Table 1 : Size of Thai Financial Market

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006(Sep) |
|------------------------------------|----------|----------|----------|----------|----------|----------|------------|
| Bank Loans | 4,585.90 | 4,298.90 | 4,602.70 | 4,701.50 | 5,081.35 | 5,488.43 | 5,856.77 |
| Equities (SET mkt. cap) | 1,279.20 | 1,807.31 | 1,986.24 | 4,789.90 | 4,521.89 | 5,105.11 | 5,046.91 |
| Domestic Bond (at par) | 1,634.80 | 1,882.90 | 2,300.00 | 2,518.00 | 2,740.38 | 3,366.84 | 3,866.08 |
| GDP at current price (THB billion) | 4,922.70 | 5,133.50 | 5,446.00 | 5,930.40 | 6,503.50 | 7,104.20 | 7,671.80** |
| GDP Growth Rate at 1989 prices (%) | 4.8 | 2.1 | 5.4 | 6.8 | 6.4 | 4.5 | 5.0* |

Note : P/ = Preliminary figures
Sources : BOT, SET and ThaiBMA

Table 2 : Domestic Debt Issuance

Unit : THB Bln.

| Type | 2005 | 2006 | Growth% |
|---------------------------------------|----------------|----------------|--------------|
| (1) Government Debt Securities | | | |
| Government Bonds | 188.90 | 220.71 | 16.84 |
| T- Bills | 494.00 | 895.20 | 81.21 |
| State Enterprise Bonds | 100.14 | 69.72 | -30.38 |
| - Guaranteed | 61.70 | 38.96 | -36.86 |
| - Non Guaranteed | 38.44 | 30.76 | -19.98 |
| State Agency Bonds | 988.28 | 1001.60 | 1.35 |
| (2) Corporate Debt Securities | 179.38 | 882.12 | 391.76 |
| - Long-term Corporate Bonds | 179.38 | 145.57 | -18.85 |
| - Commercial Papers | n.a | 736.55 | n.a |
| (3) Foreign Bond | 7.00 | 9.10 | 30.00 |
| Total | 1957.70 | 3078.45 | 57.25 |

Source : BOT, SEC and MOF

Table 3 : Domestic Debt Outstanding

Unit : THB Bln.

| Type | 2005 | 2006 | Change(%) |
|---------------------------------------|-----------------|-----------------|---------------|
| (1) Government Debt Securities | | | |
| Government Bonds | 1,360.49 | 1,509.70 | 10.92 |
| T-Bills | 209.00 | 228.00 | 9.09 |
| State Enterprise Bonds | 489.09 | 492.89 | 0.78 |
| - Guaranteed | 333.81 | 325.10 | -2.61 |
| - Non Guaranteed | 155.28 | 167.79 | 8.06 |
| State Agency Bonds | 641.33 | 896.70 | 39.82 |
| Sub Total (1) | 2,699.91 | 3,126.66 | 15.81 |
| (2) Corporate Debt Securities | 659.93 | 942.51 | 42.82 |
| (3) Foreign Bonds | 7.00 | 16.10 | 130.00 |
| Grand Total | 3,366.84 | 4,085.27 | 21.34 |

Source : BOT, SEC and MOF
Remark : Preliminary figures collected from the following registrars : BAY, BBL, BFIT, TFB and TSD.

Table 4 : ThaiBMA Registered Bonds by TTM

| Issue Term(Yrs.) | Outstanding(THB Bln.) | #issue |
|--|-----------------------|------------|
| 1.1 Treasury Bill | | |
| 0-5 | 228.00 | 43 |
| Total | 228.00 | 43 |
| 1.2 Government Bond | | |
| 0-5 | 614.24 | 28 |
| 6-10 | 596.82 | 18 |
| 11-15 | 206.70 | 6 |
| 15 > | 51.50 | 2 |
| Total | 1,469.26 | 54 |
| 1.3 State Agency Bond | | |
| 0-5 | 896.70 | 31 |
| Total | 896.70 | 31 |
| 1.4 State Owned Enterprise Bond | | |
| 0-5 | 354.63 | 272 |
| 6-10 | 110.05 | 85 |
| 11-15 | 26.24 | 19 |
| Total | 490.92 | 376 |
| 2.1 Long-term Corporate Bond | | |
| 0-5 | 474.78 | 435 |
| 6-10 | 110.49 | 24 |
| 11-15 | 12.65 | 7 |
| 15 > | 11.00 | 2 |
| Total | 608.91 | 468 |
| 2.2 Commercial Paper | | |
| 0-5 | 237.29 | 787 |
| Total | 237.29 | 787 |
| 3 Foreign Bond | | |
| 0-5 | 15.10 | 4 |
| 6-10 | 1.00 | 1 |
| Total | 16.10 | 5 |

Table 5 : Asset Size of Institution Investors (THB bln.)

| | Dec-99 | Dec-00 | Dec-01 | Dec-02 | Dec-03 | Dec-04 | Dec-05 | Dec-06 |
|---------------------------|--------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Fixed-Income Mutual Funds | 62.8 | 87.2 | 92.9 | 92.53 | 92.39 | 116.80 | 391.32 | 639.90 |
| Insurance Companies | 311.5 | 344 | 396.3 | 468.87 | 575.43 | 664.43 | 760.50 | 812.87** |
| Govt Pension Fund | 111.6 | 135.2 | 158.6 | 190.95 | 238.39 | 246.89 | 286.98 | 320.74 |
| Provident Funds | 182.7 | 201.3 | 201.3 | 244.8 | 287.33 | 305.46 | 345.90 | 390.93 |
| Social Security Fund | n.a | n.a | n.a | n.a | n.a | n.a | 262.33 | 345.53 |
| Total | 668.6 | 767.70 | 849.05 | 997.17 | 1,193.55 | 1,333.58 | 1,784.69 | 2,509.97 |

Note : 1/ As of September 2006

Table 6 : Top 5 Active Registered Bonds

| Bonds | Enterprise Bonds | | Debentures | | |
|---------------|------------------|----------------|------------|-----------------|----------|
| | Issue | THB Mln. | Issue | THB Mln. | |
| LB167A | 121,710.33 | GHB080C | 2,524.54 | KTBO93A | 7,351.02 |
| LB137A | 76,553.91 | PEA149A | 2,333.52 | PTTC15NA | 5,153.49 |
| LB213A | 68,258.56 | PEA127A | 2,115.76 | EFAI07OA | 4,802.05 |
| LB267A | 42,875.28 | PEA118A | 1,997.03 | PTTC16OA | 4,643.05 |
| LB095C | 41,798.11 | ETA143A | 1,979.78 | UTT07DA | 3,800.23 |

Table 7 : ThaiBMA Government Interpolation Yields (%)

| Date | 1M | 3M | 6M | 1 | 2 | 3 | 5 | 7 | 10 | 12 | 15 | 16 |
|-------------|--------|--------|-------|-------|------|-------|--------|--------|-------|-------|------|------|
| 30-Dec-05 | 3.72 | 3.88 | 4.11 | 4.38 | 4.94 | 5.11 | 5.25 | 5.33 | 5.47 | 5.57 | 5.72 | 5.77 |
| 29-Dec-06 | 4.95 | 4.93 | 4.9 | 4.91 | 5.02 | 5.06 | 5.12 | 5.22 | 5.44 | 5.55 | 5.73 | 5.77 |
| Change (bp) | 123.00 | 105.00 | 79.00 | 53.00 | 8.00 | -5.00 | -13.00 | -11.00 | -3.00 | -2.00 | 1.00 | 0.00 |

Table 8 : ThaiBMA Bond Indices

| Government Bond Index | 2005 | 2006 | Return (%) |
|-----------------------|--------|-------|------------|
| Clean Price | 96.42 | 96.43 | 0.01 |
| Gross Price | 96.18 | 97.83 | 1.72 |
| Total Return | 147.07 | 155.1 | 5.46 |

| Corporate Bond Index | 2005 | 2006 | Return (%) |
|----------------------|--------|--------|------------|
| Clean Price | 99.6 | 101.03 | 1.44 |
| Gross Price | 100.4 | 101.99 | 1.58 |
| Total Return | 125.27 | 133.49 | 6.56 |

TABLE 9 : Bond Return (%)

| ThaiBMA Government Bond Indices | Return (%) | |
|--|--------------|-------------|
| | 2005 | 2006 |
| Government Bond Index | -0.24 | 5.46 |
| Maturity Sub Group | | |
| Group 1(1<TTM<=3) | 0.42 | 5.28 |
| Group 2(3<TTM<=7) | 0.14 | 5.86 |
| Group 3(7<TTM<=10) | 0.94 | 5.94 |
| Group 4(TTM>10) | 0.3 | 6.17 |
| Investment Grade Corporate Bond Index | 1.17 | 6.56 |

Table 10 : Yields Volatility (15 day annualized)

| Date/TTM | 1-M | 3-M | 6-M | 1-Y | 3-Y | 5-Y | 7-Y | 10-Y | 12-Y | 15-Y | 16-Y |
|----------|-------|------|------|------|------|------|------|------|------|------|------|
| 38716.00 | 0.12 | 0.03 | 0.03 | 0.06 | 0.10 | 0.13 | 0.16 | 0.17 | 0.16 | 0.16 | 0.15 |
| 39080.00 | 0.10 | 0.08 | 0.09 | 0.10 | 0.16 | 0.19 | 0.21 | 0.24 | 0.22 | 0.24 | 0.25 |
| Change | -0.02 | 0.06 | 0.06 | 0.04 | 0.06 | 0.06 | 0.05 | 0.08 | 0.06 | 0.08 | 0.10 |

Figure 1: Outstanding Value of Government Bonds by Year to Expiration

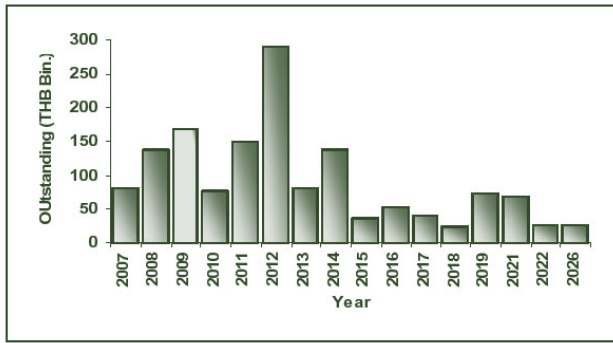


Figure 2: Outstanding Value of ThaiBMA Registers Bonds by Sector : 2006

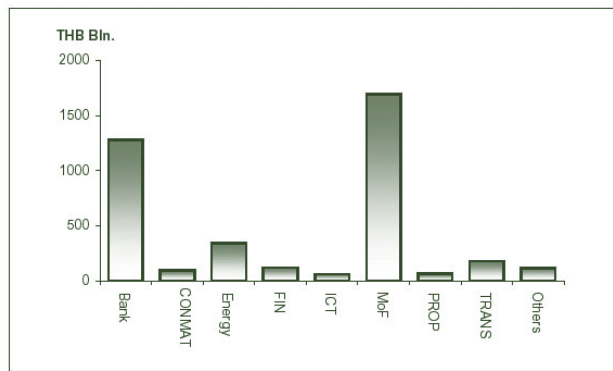


Figure 3: Outright Trading & Outstanding Value of Corporate Registered Bonds by Rating : 2006

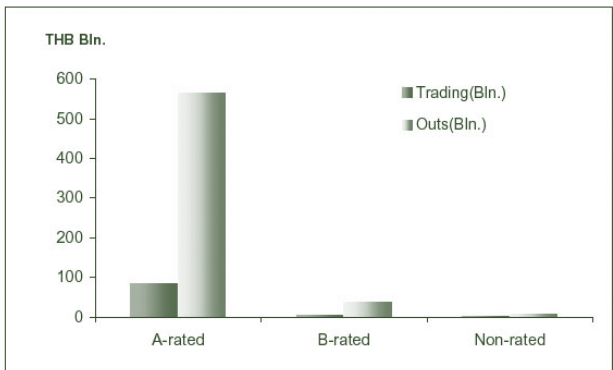


Figure 4: Composition of Market Participants

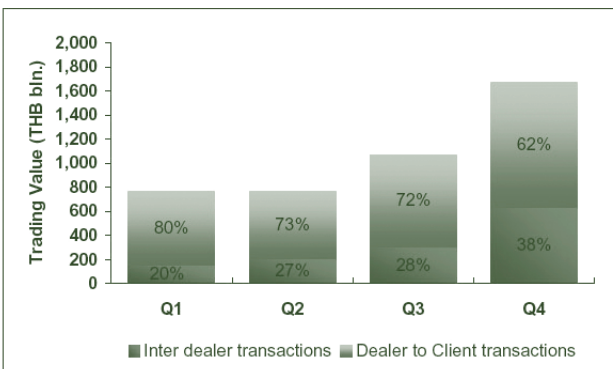


Figure 5: Composition of Dealer to Client Transactions

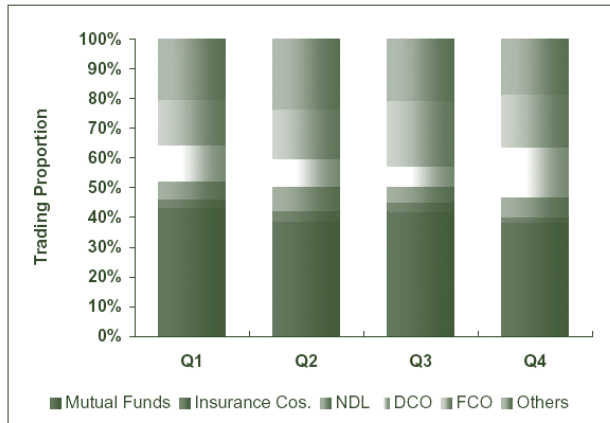


Figure 6: Composition of Dealer to Client Transactions in Year 2006

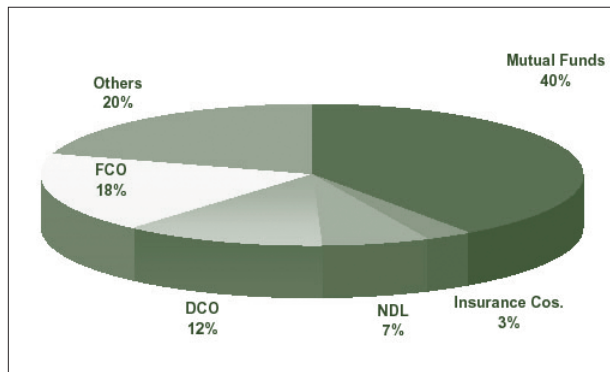


Figure 7: Provident Fund: Portfolio Investment

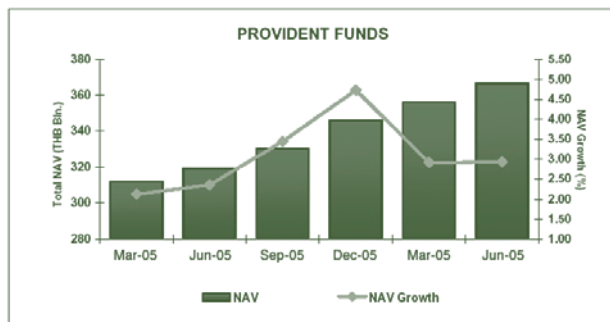


Figure 8: Insurance Companies: Portfolio Investment

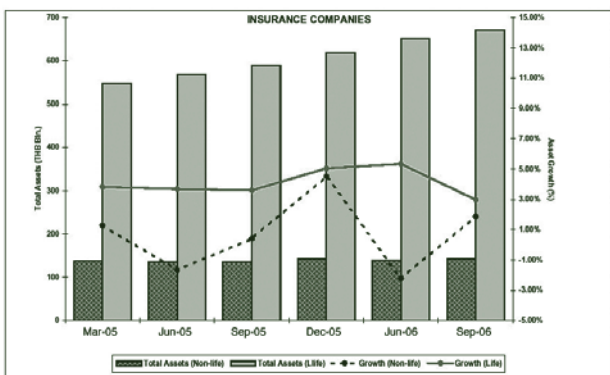


Figure 9 : Government Pension Fund : Asset size

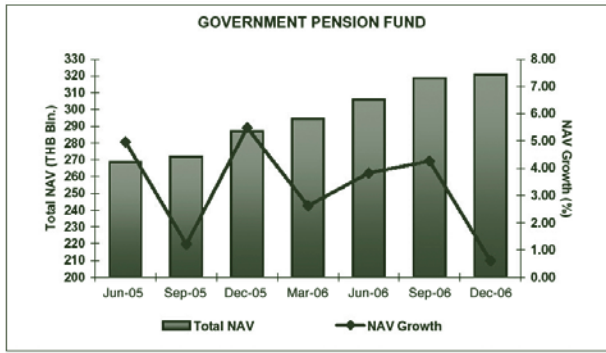


Figure 13: ThaiBMA Government Bond Yield Curve

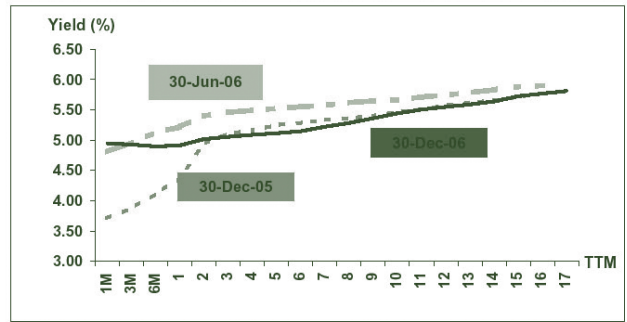


Figure 10: Fixed Income Mutual Funds: Net Asset Value

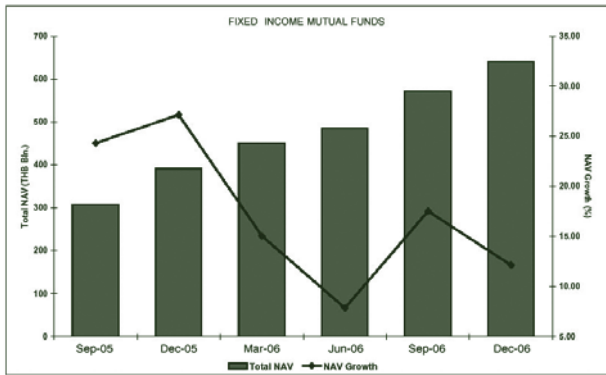


Figure 14: 1- Month Yield Movement

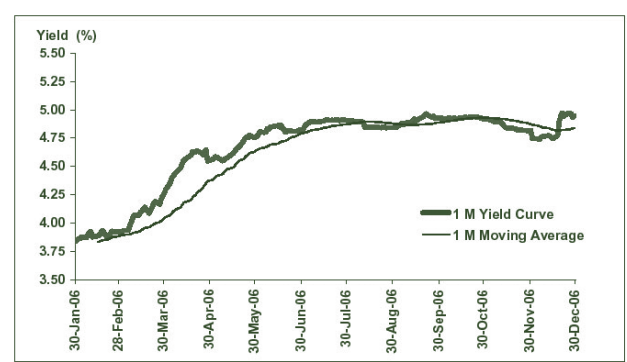


Figure 11: Social Security Fund : Portfolio Investment

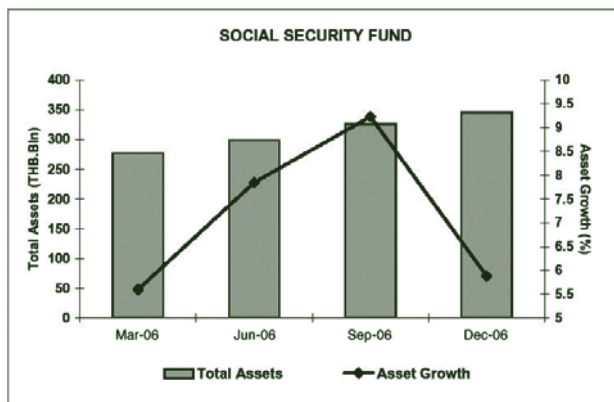


Figure 15: 5-Year Yield Movement

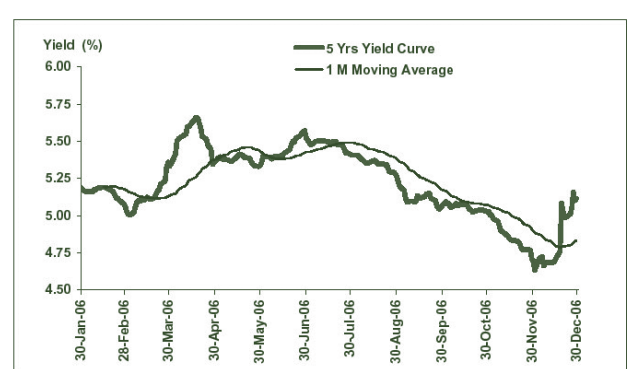


Figure 12: Asset Size of Institution Investors

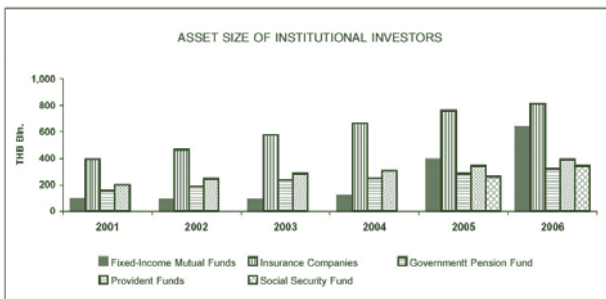


Figure 16: 10-Year Yield Movement

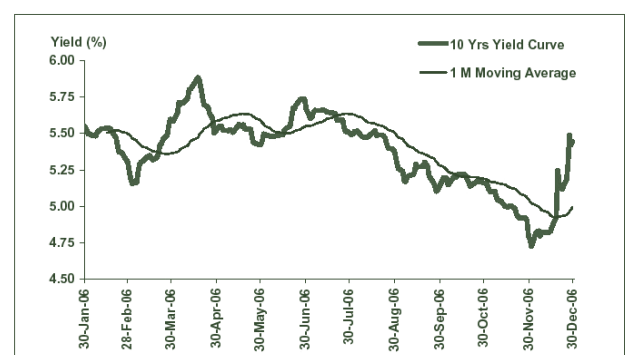


Figure 17: Government Bond Index Movement

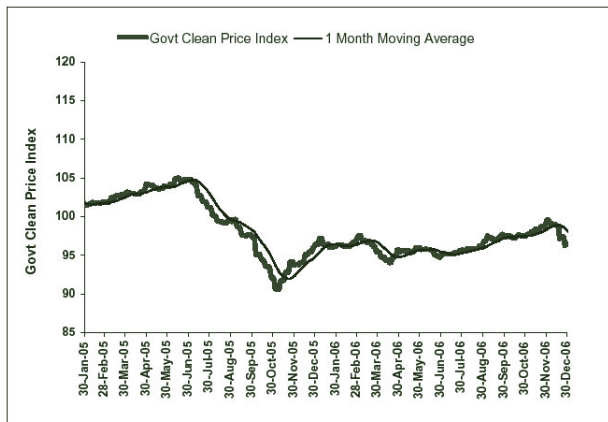


Figure 18: Investment Grade Corporate Bond Index

