



FX forward/swap/long-dated FX forward

**Regulatory:** Offshore counterparties with underlying exposures can hedge with onshore banks. Non-residents have to provide the underlying documents before trade execution. Underlying transactions must be verified every 2 weeks. In cases of hedging without underlying exposure, transactions must be executed within the regulatory limits with maximum net lending of THB to non-residents capped at THB600mn, and net borrowing of THB from non-residents limited to THB10mn.

**Avg. ticket size:** USD 20 mn  
**Tenor:** Less than or equal to 1 year  
**Bid/ask spread:** THB 0.01-2.00 (depends on the tenor)  
**Avg. daily vol:** USD 0.6 - 1.5 bn for T/N to 1 month, USD 0.3-0.8 bn for 1-12 months  
**Ref. Source:** Reuters page <THBFX>

FX options

**Regulatory:** Plain vanilla and structured derivatives according to BOT's notifications are allowed. Onshore options are allowed for hedging of real underlying exposures. FIs must verify the evidence for the customer's underlying exposure. A bi-weekly review is required to ensure that the value of the underlying is not less than that of the option contract. In cases of hedging without underlying exposures, any transactions that are equivalent to resident buying FX are subject to the THB10mn limit, while any transaction equivalent to selling FX in the future are subject to the THB600mn limit. There is currently a very limited onshore interbank options market in Thailand.

**Avg. ticket size:** USD 5m -20 m  
**Bid/ask spread:** 1 - 3 Vol  
**Avg. daily vol:** USD 20m  
**Ref. Source:** Nil.  
**Fixing page:** Tokyo cut, 3PM Tokyo

Onshore CCS

**Regulatory:** Non-Residents are not allowed to access the onshore deliverable market unless substantiated by an underlying economic transaction. Transactions must be between banks and clients with supporting underlying economic transactions. In cases of hedging without underlying exposures, transactions must be executed within the regulatory limits as described in the regulatory framework section above. Offshore can trade CCS (deliverable market) with offshore counterparties but the prices are different from onshore, and the market is not that liquid.

**Avg. ticket size:** USD 10-30 mn  
**Tenor:** 1-10 year  
**Bid/ask spread:** 20 bp  
**Avg. daily vol:** USD 50m  
**Ref. Source:** Reuters page <APTH06>

IRS/FRA

**Regulatory:** Fixing rates (6 month) are based on FX swap implied rates. Non-Residents are allowed to undertake IRS/FRA with the following conditions: 1) transactions shall not result in banks receiving negative interest payments and 2) banks in such transactions shall pay non-residents in foreign currencies.

**Avg. ticket size:** USD 15-65 mn  
**Tenor:** 6m-10 year  
**Bid/ask spread:** 1-4 bps  
**Avg. daily vol:** USD 1-3bn