



- ◆ Local bank sub-debts and foreign issuers coming to primary market
- ◆ Why Korean linked mutual funds are popular?
- ◆ Global writedown passed USD 240 bn
- ◆ BAY upgraded by Moody's, but may not be soon by S&P
- ◆ Fitch lower concern in Telecom regulatory risk; AIS and DTAC removed from downgrade watch

CORPORATE DEBENTURES

NEW ISSUANCES

After SCC and BAY deals, quiet corporate month

After the two super-size deals launched by SCC and BAY in March, April was relatively quiet. AIS successfully launched a 5-year THB 4 bn deal with step-up coupon, priced at 65 bps over government curve. The launch was well timed with the removal of Rating Watch Negative by Fitch, although the issue carries AA rating from TRIS. The deal was well over subscribed by both retail and institutional investors.

Bank sub-debt deals coming to market

May could well be the month of bank's subordinate debt issuances. SCB plans a 10-year Non-Call 5-year subordinate bond deal up to THB 20 bn next month. The expected TBANK's THB 5 bn 7-year sub-debt should be in the market around the same time.

Thai bond market may appear attractive funding source for foreign issuers

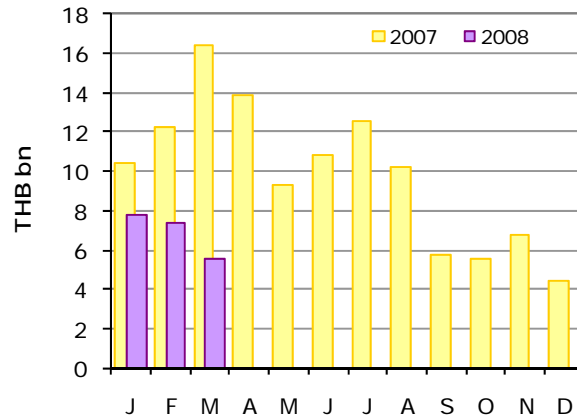
Looking pass May and June, Thai primary bond market may see more foreign issuers coming to market. This is mainly due to the difficulty in USD funding market as a result of credit crunch. Additionally, the Thai BOT and SEC are either already easing or considering easing the process for foreign issuers in THB market. However, depending on the cross-currency swap market, THB government yield curve, USD/THB exchange rate and local investors' credit appetite on specific foreign issuers, some deals may or may not go through. The Deutsche Bank Frankfurt offering earlier was already postponed.



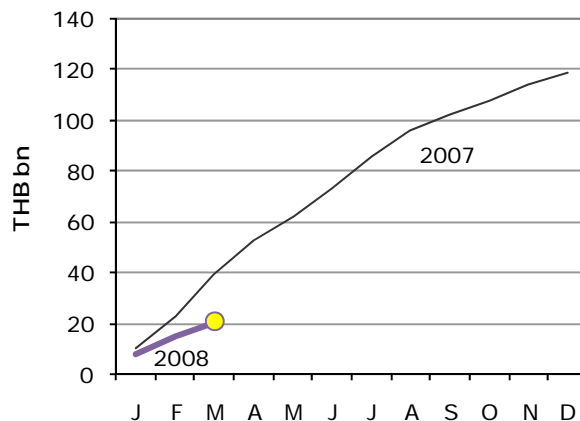
TRADING

March's outright trading value of corporate debentures reported by the TBMA was THB 5.6 bn, did not improve from February. March 2008 registered a slight decrease of 25% from previous month, and down 66% from that of the same month a year ago.

Corporate Bonds
Monthly Outright Trading Value
2008 v 2007
Source: Thai BMA



Corporate Bonds Outright Trading
YTD Cumulative Value
2008 v 2007
Source: Thai BMA



URR Removal

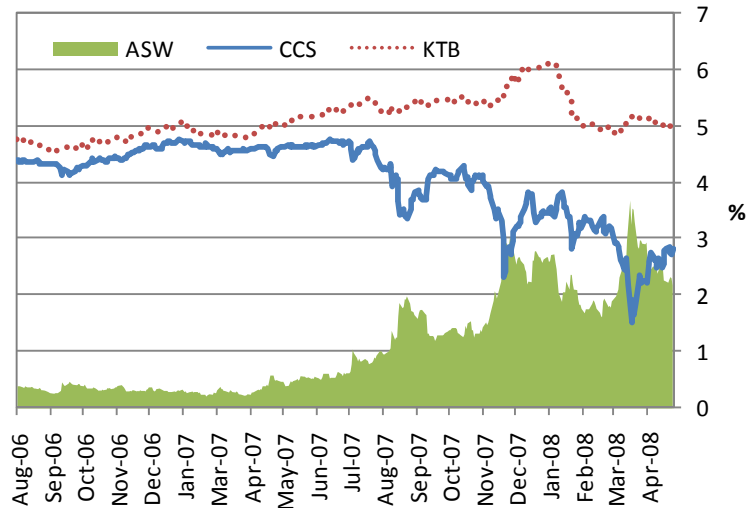
Globally, the 2008Q1 results were released. Although focus on global banks/brokers' results/writedowns was intense, impact was minimal despite earnings below expectation and continuing report of writedowns. Total bank writedowns have passed USD 240 bn. The top three, i.e. UBS, Citi and Merrill, summed up over USD 100 bn.

Credit spreads on US banks/brokers have narrowed by more than half from their peaks in mid-March. 5-year CDS spread for Merrill Lynch declined from 363 to 164. (see chart on 5-year CDS spread at end of this section). The revealed pricing of credit on financial sector significantly reflects the believe that US Fed will do everything in its power to rescue US financial institutions.



Despite recent non-event in global credit market, fund raising remains difficult especially for some Asian regional banks. The shortage of US Dollar funding at Korean banks during the global credit crunch has pushed Korean Won cross-currency swap (CCS) to a significant low level starting from mid-2007. The phenomenon creates wide asset swap spread (ASW) from Korean onshore asset to USD LIBOR rate. The chart below show historical a) 1-year Korean Treasury Bond (KTB) yield, b) 1-year KRW/USD CCS, and c) KTB asset swap spread, i.e. (c)=(a)-(b).

Historical
1-Year Korean Won Treasury Bond,
KRW/USD CCS,
and Asset Swap Spread
Source: Bloomberg



An investment in 1-year KTB and swap in to USD would yield over LIBOR+2%, and was as high as LIBOR+3.6% in March. LIBOR+2% would be translated to approximately 5.20% attractive return¹ on 1-year investment in Thai Baht (assuming USD LIBOR swap to fixed rate around 3.20% in THB.) This explains the current popularity of Thailand's mutual fund investment in Korean assets.

¹ Although these levels are taken from current market quotes, it should be noted that the figures are for illustration purpose, and an actual investment will involve transaction costs which would lower the yield.



**Writedown Scorecard
as of April 18, 2008
(ratings as of April 24, 2008)**

Source: Asset-Backed Alert,
Moody's, S&P and Fitch

Remarks:

- ?- = Negative Outlook
- ?+ = Positive Outlook
- ?? = Outlook Uncertain
- *- = Downgrade Watch
- *+ = Upgrade Watch
- ** = Watch Uncertain

- 1) Indicate insurance strength ratings equivalent which are ratings received on the guaranteed securities
- 2) Indicate ratings of the bank entity rather than the holding company's

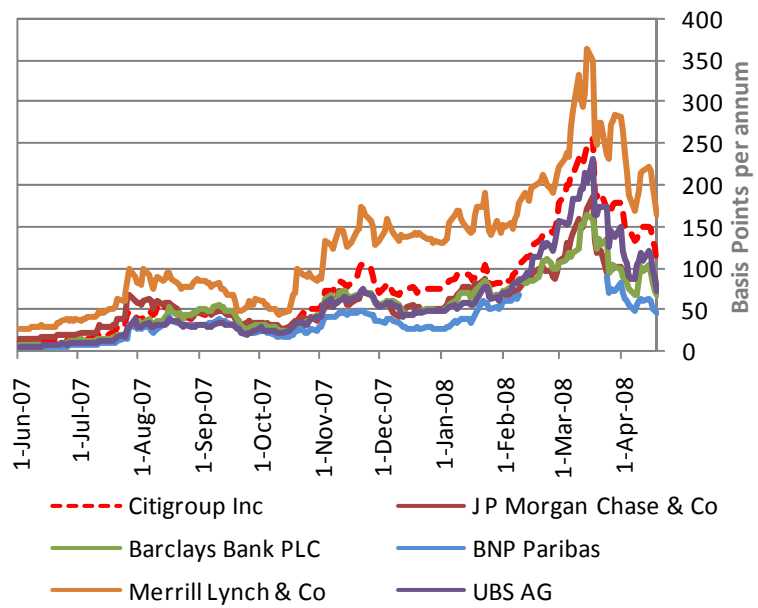
The scorecard includes those reported writedown of over USD 500mm on mostly securities affected by Subprime conditions.

Bank	Amount (USD bn)	Moody's	S&P	Fitch
UBS	35.9	Aa1/P-1 *-	AA-/A-1+ ?-	AA-/F1+ ?-
Citigroup	35	Aa3/P-1 ?-	AA-/A-1+ *-	AA- ?-
Merrill Lynch	31.8	A1/P-1 *-	A+/A-1 ?-	A+/F1 ?-
AIG	15.6	Aa2/P-1 ?-	AA/A-1+ ?-	AA/F1+ *-
Morgan Stanley	10.5	Aa3/P-1 ?-	AA-/A-1+ ?-	AA-/F1+ ?-
Deutsche Bank	7.1	Aa1/P-1	AA/A-1+ ?-	AA-/F1+
Freddie Mac	6.9	Aaa/P-1	NR	AAA/F1+
Credit Agricole	6.3	Aa1/P-1	AA-/A-1+	AA/F1+
Lehman Brothers	6	A1/P-1	A+/A-1 ?-	AA-/F1+ ?-
Bank of America	5.9	Aa2/P-1 ?-	AA/A-1+	AA/F1+ *-
Fannie Mae	5.7	Aaa/P-1	NR	AAA/F1+
JP Morgan	5.7	Aa2/P-1	AA-/A-1+	AA-/F1+
Ambac ¹	5.4	Aaa ?-	AAA ?-	AA ?-
Wachovia ²	4.6	Aa1/P-1 ?-	AA/A-1+ ?-	AA-/F1+
Credit Suisse	4.5	Aa2/P-1	A+/A-1 ?-	AA-/F1+
Fortis ²	4.1	Aa2/P-1 ?-	AA-/A-1+ ?-	AA-/F1+
MBIA ¹	3.9	Aaa ?-	AAA ?-	AA ?-
BayernLB	3.6	Aa2/P-1	A/A-1	A+/F1+
Societe Generale	3.6	Aa2/P-1	AA-/A-1+ ?-	AA-/F1+
Goldman Sachs	3.5	Aa3/P-1	AA-/A-1+ ?-	AA-/F1+
Mizuho Financial ²	3.2	Aa2/P-1 ?-	A+/A-1	A+/F1
Barclays	3.2	Aa2/P-1	AA-/A-1+ ?-	AA+/F1+ ?-
Bear Stearns	3.2	Baa1/P-2 *+	AA-/A-1+	A-/F2 *+
Royal Bank of Scotland ²	3	Aaa/P-1	AA/A-1+ ?-	AA
CIBC	2.5	Aa2/P-1 ?-	A+/A-1 ?-	AA-/F1+ *-
E*Trade Financial	2.2	Ba3 ?-	B	NR
HSBC	2.1	Aa2/P-1	AA-/A-1+	AA/F1+
DZ Bank	1.9	Aa3/P-1	A+/A-1	A+
FGIC	1.7	B3	B ?-	BB ?-
XL Capital ¹	1.5	A3	A-	BB ?-
WestLB	1.4	A2/P-1 ?-	A-/A-2 ?-	A-/F1
BNP Paribas	1.2	Aa1/P-1	AA+/A-1+	AA/F1+
Nomura	1.2	A3	A-/A-2	BBB+ ?+
Swiss Re ¹	1.2	Aa2	AA-	AA-
Bank of Montreal	0.9	Aa1/P-1	A+/A-1	AA-/F1+
Sumitomo Mitsui ²	0.9	Aa2/P-1	A+/A-1	A+
Commerzbank	0.9	Aa3/P-1	A/A-1	A/F1
Lloyds TSB ²	0.6	Aaa/P-1	AA/A-1+	AA+/F1+
Hypo Real Estate ²	0.6	A2/P-1	A/A-1 ?-	A
GMAC Financial Services	0.5	B2/NP *-	B+/C ?-	BB/B ?-
Mitsubishi UFJ ²	0.5	WR/P-1	A+/A-1	A+/F1
Total	240			



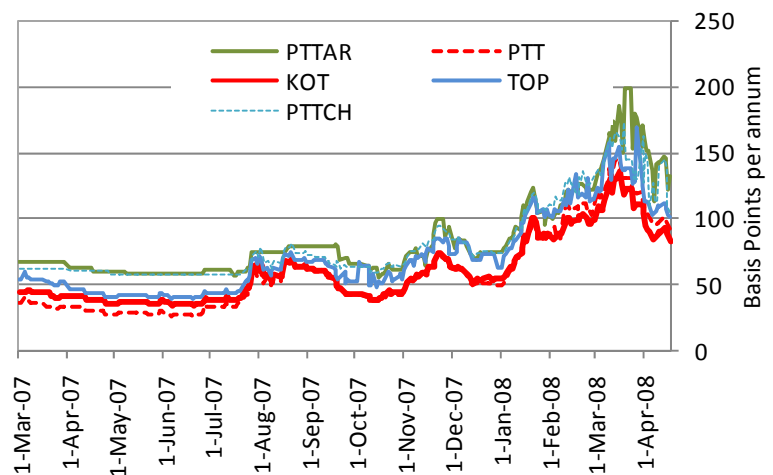
5-Year USD Mid CDS Spread for Global Banks

Source: BarCap



5-Year USD Mid CDS Spread for Thai Entities

Source: BarCap





CREDIT RATINGS

Issuer	Rating Agency	Rating Type	Rating Action Date	Current Rating	Previous Rating
AIS	Fitch	LT Foreign Currency IDR	April 11, 2008	BBB+ w/Stable Outlook	BBB+ w/Rating Watch Negative
AIS	Fitch	Long-Term National IDR	April 11, 2008	AA(th) w/Stable Outlook	AA(th) w/Rating Watch Negative
AIS	Fitch	Short-Term National IDR	April 11, 2008	F1+(th) w/Stable Outlook	F1+(th) w/Rating Watch Negative
DTAC	Fitch	LT Foreign Currency IDR	April 11, 2008	BB+ w/Stable Outlook	BB+ w/ Rating Watch Negative
DTAC	Fitch	Long-Term National IDR	April 11, 2008	A(th) w/Stable Outlook	A(th) w/ Rating Watch Negative
DTAC	Fitch	Short-Term National IDR	April 11, 2008	F1(th) w/Stable Outlook	F1(th) w/ Rating Watch Negative
BAY	Moody's	Foreign Currency Deposit Rating	April 10, 2008	Baa2 w/Stable Outlook	Baa3 w/Review of Possible Upgrade
BAY	Moody's	Bank Financial Strength Rating	April 10, 2008	D w/Stable Outlook	D- w/Review of Possible Upgrade
BAY	Moody's	Foreign Currency Senior Unsecured Debt Rating	April 10, 2008	Baa2 w/Stable Outlook	Baa3 w/Review of Possible Upgrade

BAY upgraded to Baa2 by Moody's

Moody's concluded the rating review on Bank of Ayudhya PCL (BAY) with an upgrade on April 10. BAY's long-term foreign currency senior-unsecured rating was upgraded to Baa2 from Baa3. The bank's Financial Strength Rating was upgraded to D from D-. The short-term rating remains unchanged at Prime-2, and rating outlook is stable. This concluded Moody's review for possible upgrade initiated on December 11, 2007 at the conclusion of shares purchase by GE Capital.

S&P remains positive on BAY.

Near-term upgrade chance is slim, while medium term is likely

S&P rates BAY at BBB-/A-3 with Positive Outlook. However, an upgrade by S&P may be less likely than by Moody's in the near term. An one-notch upgrade, i.e. to BBB, would put BAY in peer with SCB, KBANK and KTB whom S&P currently rates at BBB/A-2. However, the upgrade in medium term is likely, due to gradual improvement of BAY's financial position and market penetration.

AIS and DTAC removed from Rating Watch Negative

Fitch finally concluded its opinion on legal and regulatory risks in Thailand's Telecommunication industry. On April 11, the Rating Watch Negative placed on Advance Info Service PLC (AIS)'s and Total Access Communication (DTAC)'s credit ratings was removed, and outlook on both ratings has been reset to Stable. The conclusion was primarily based on 1) the prolong unsettled disputes in the telecommunication concessions, without any action or progress, and 2) the current People People Party government's likeliness to take softer approach with lighter impact on private operators.

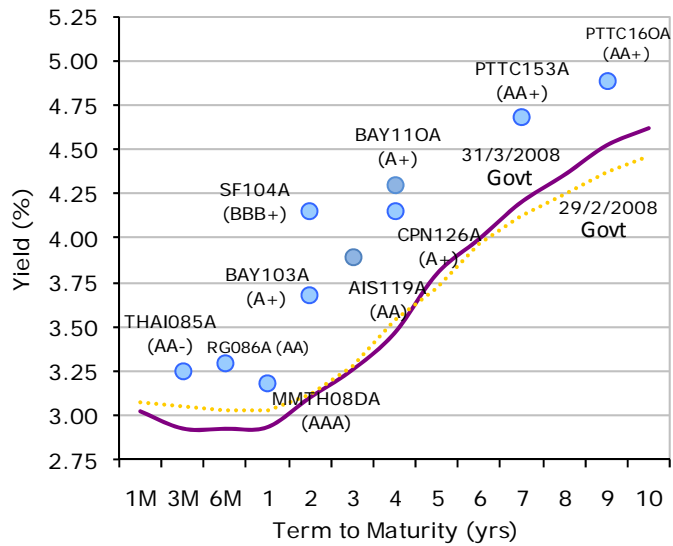


Top 10 Issues Monthly Traded

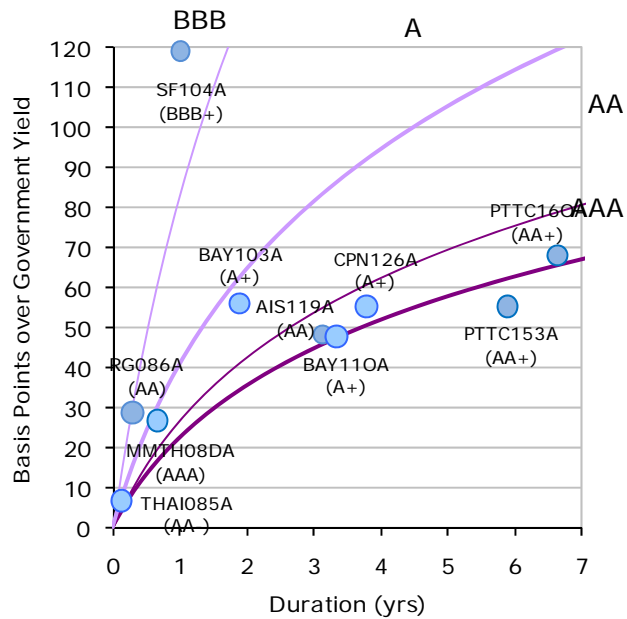
Top 10 Thai Corporate Debentures Monthly Outright Trading Value
Source: Thai BMA

Symbol	Fitch / TRIS	TTM	High Yield	Low Yield	Dur.	Spread Duration	Outright Trading Value (THB mm)
THAI085A	/ AA-	0.12	3.45	3.04	0.12	6.71	662.51
BAY110A	A+(tha) /	3.62	4.30	4.30	3.34	47.95	252.94
CPN126A	/ A+	4.27	4.24	4.05	3.77	55.25	225.40
MMTH08DA	AAA(th) /	0.70	3.24	3.11	0.66	26.84	212.04
BAY103A	A+(tha) /	1.99	3.70	3.65	1.88	56.12	210.90
PTTC153A	AA+(tha) /	7.07	4.74	4.63	5.89	55.45	192.44
RG086A	/ AA	0.25	3.40	3.17	0.28	28.80	186.02
SF104A	BBB+(tha) /	2.08	4.20	4.10	1.00	119.06	176.86
PTTC160A	AA+(tha) /	8.66	4.88	4.88	6.63	68.01	152.32
AIS119A	/ AA	3.49	4.02	3.76	3.11	48.17	151.19

Top 10 Traded Thai Corporate Debentures Yield-to-Maturity
Source: Thai BMA



Top 10 Traded Thai Corporate Debentures Month-End Spread-Duration over Government Yield
Source: SCB, Thai BMA





**Top 10 Duration Spread
Narrowing During the Month**

Source: SCB, Thai BMA

Symbol	Rating	Duration	Spread	Change	Outright Trading Value (THB mm)
AIS119A	AA	3.11	48.17	-22.29	151.19
TLT108A	AAA	2.26	24.67	-15.04	61.27
PTTC153A	AA+	5.89	55.45	-14.95	192.44
CPF086A	A+	0.24	27.30	-14.46	117.15
KTC085A	A-	0.15	25.89	-14.20	20.52
KTC104A	A-	1.91	78.83	-10.40	41.48
DAD25NB	AAA	10.77	65.48	-9.15	32.85
TLT104A	AAA	1.93	25.47	-8.78	144.75
SCC08NA	A+	0.57	51.69	-8.76	93.40
THAI085A	AA-	0.12	6.71	-7.11	662.51

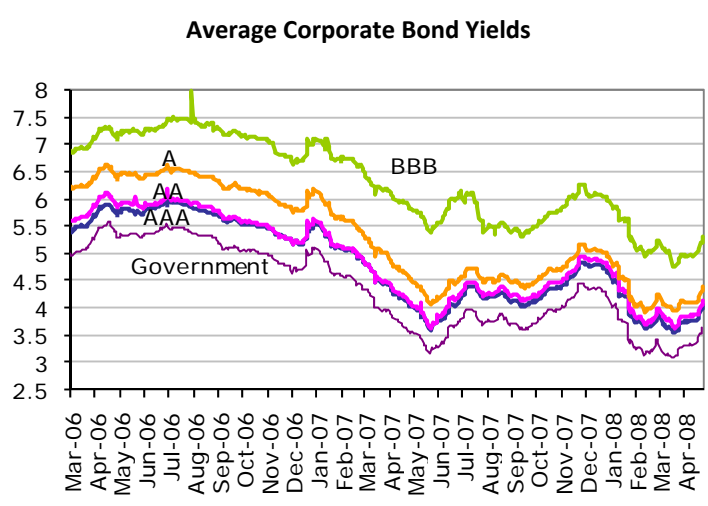
**Top 10 Duration Spread
Widening During the Month**

Source: SCB, Thai BMA

Symbol	Rating	Duration	Spread	Change	Outright Trading Value (THB mm)
QH10NA	BBB+	2.47	118.08	21.48	1.00
MBTH094A	AA+	1.00	66.47	21.21	1.33
THAI115A	AA-	2.87	64.07	16.33	2.86
SME087A	AA-	0.35	35.78	15.69	115.46
TLT087A	AAA	0.33	28.58	10.13	0.20
NTH086A	AAA	0.26	18.27	6.74	34.08
MBK108A	A-	2.25	71.71	6.40	147.80
SCC11NA	A+	3.30	83.46	6.38	44.86
TSCO105A	A	2.05	51.76	5.47	38.68
CPN096A	A+	1.18	69.53	5.23	0.42



Historical Interpolated Average 3-Year Thai Corporate Bond Yields by Rating Categories (in Percent)
Source: SCB, Thai BMA



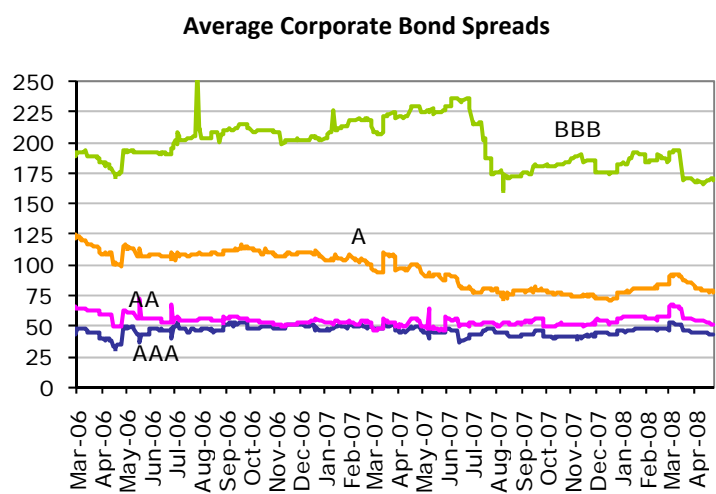
Interpolated Average Corporate Bond Yields by Rating Categories and Durations at End of Month (in Percent)
Source: SCB, Thai BMA

Duration	1y	2y	3y	5y	7y	10y
Government	2.95	3.12	3.29	3.98	4.50	5.00
AAA	3.18	3.47	3.74	4.56	5.17	5.77
AA	3.22	3.54	3.83	4.67	5.31	5.93
A	3.36	3.76	4.11	5.03	5.73	6.41
BBB	3.79	4.44	4.97	6.14	7.01	7.89

Changes in Interpolated Average Corporate Bond Yields by Rating Categories and Durations from Previous Month End (in Basis Points)
Source: SCB, Thai BMA

Duration	1y	2y	3y	5y	7y	10y
Government	-8	0	-3	7	15	12
AAA	-12	-7	-11	-3	3	-1
AA	-14	-10	-15	-8	-3	-8
A	-12	-8	-12	-5	1	-3
BBB	-20	-19	-27	-24	-21	-28

Historical Interpolated Average 3-Year Thai Corporate Spreads over Government Yields (in Basis Points)
Source: SCB, Thai BMA



Interpolated Average Corporate Spreads over Government Yields by Rating Categories and Durations at End of Month (in Basis Points)
Source: SCB, Thai BMA

Duration	1y	2y	3y	5y	7y	10y
AAA	22	35	45	58	67	77
AA	27	43	54	70	81	93
A	41	65	82	105	122	141
BBB	84	133	167	216	251	289

Changes in Interpolated Average Corporate Spreads over Government Yields by Rating Categories and Durations from Previous Month End (in Basis Points)
Source: SCB, Thai BMA

Duration	1y	2y	3y	5y	7y	10y
AAA	-4	-6	-8	-10	-12	-14
AA	-6	-9	-12	-15	-18	-21
A	-5	-7	-9	-12	-14	-16
BBB	-12	-19	-24	-30	-35	-41



New and Planned Issuances

Remarks: AL=Average Life
{} = Issuer's Rating

Issuer	TBMA Symbol	Fitch /TRIS	Coupon (%)	Spread (bps.)	Issue Size (THB mm)	Term (yrs)	Issue date
Italian-Thai Development PLC (Convertible)		/ {BBB+}			USD [200m]	[7-10]	2008Q3
Hemraj Land and Development PLC		/ {BBB+}	4.5-5.0%		THB [4,500]	3-4	2008Q3
Home Product Center PLC		/ A-			THB [500]		2008Q2
MBK		/ A			THB [6,000]		2008Q2
Glow Energy PLC		/ A			THB [6,000]		2008Q2
CH Karnchang PLC		/ BBB+	5.00%	173	THB [2,000]	3	[April 30, 2008]
Advance Info Service PCL		/ AA	2y4.00% 3y4.90%	65	THB 4,000	5	April 2008
Siam Cement PLC	SCC124A	A+(tha) /	4.25%	84	THB 20,000	4	April 1, 2008
Krungthai Card PLC	KTC113A	/ A-	4.10%		THB 4,000	3	March 26, 2008
Berli Jucker PCL	BJC113A	/ A+	3.73%	65	THB 3,030	3	March 26, 2008
Bank of Ayudhya PCL	BAY103A	A+(tha) /	3.85%	78	THB 10,500	2	March 18, 2008
Bank of Ayudhya PCL	BAY113A	A+(tha) /	4.00%	76	THB 5,500	3	March 18, 2008
Bank of Ayudhya PCL	BAY123A	A+(tha) /	4.25%	75	THB 4,000	4	March 18, 2008
Phatra Leasing PCL	PL113A	/ A-	3.89%	81	THB 700	3	March 18, 2008
Quality Houses PCL	QH113A	/ BBB+	4.25%	105	THB 1,400	3	March 14, 2008
Quality Houses PCL	QH123A	/ BBB+	3y4.25% 1y4.70%	91	THB 6,00	4	March 14, 2008
Kiatnakin Bank PLC	KK103A	/ {A-}	1y3.80% 1yTHBFIX 6m		THB 200	2	March 7, 2008
Bangkok Dusit Medical Services PLC	BGH113A	/ A	4.11%	84	THB 3,000	3	March 6, 2008
Bangkok Dusit Medical Services PLC	BGH133A	/ A	4.84%	113	THB 2,000	5	March 6, 2008
Toyota Leasing (Thailand) Co.,Ltd	TLT102A	/ AAA	3.32%	28	THB 900	2	February 28, 2008
Toyota Leasing (Thailand) Co.,Ltd	TLT112A	/ AAA	3.50%	35	THB 2,900	3	February 28, 2008
Kiatnakin Bank PLC	KK102B	/ A-	1y3.70% 1yTHBFIX 6m		THB 200	2	February 8, 2008
Kiatnakin Bank PLC	KK102A	/ A-	1y3.75% 1yTHBFIX 6m		THB 240	2	February 4, 2008
Kiatnakin Bank PLC	KK101A	/ A-	1y3.85% 1yTHBFIX 6m		THB 300	2	January 29, 2008

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