

## **Thai bourse announces 2012 plan to match right financial opportunities**

- To boost big-cap securities, expand investor base, launch new trading system, and improve efficiency
- Sees IPOs to reach THB 120 billion on the bourse this year
- Aims daily average trading volume to rise to THB 31-32 bln
- Expects derivatives trading of 55,000-57,000 contracts per day

BANGKOK, January 18, 2012 – The Stock Exchange of Thailand (SET) announces its 2012 plan to increase the number of large-sized firms and securities on the exchange, expand the investor base with new products, launch new trading system, and continuously boost its capability and efficiency to increase competitiveness in the region.

“This year, the economic risks in the U.S. and European economies remain the key factors affecting the exchange’s business, while global liquidity will be more volatile and competition among the stock markets in the region is also rising. To boost our effectiveness and competitiveness, we will launch new vision of “Empowering business and investors through our strengths to match the right financial opportunities.” This vision will set our business direction from now on,” said SET President Charamporn Jotikasthira said.

**The SET sets its five business strategies for 2012, which consist of: 1. Empowering Business, 2. Empowering Investors, 3. Matching the Right Financial Opportunities, 4. Strengthening SET’s Capabilities, and 5. Strengthening Intermediaries.**

“This year’s strategies will strengthen the SET, broker members, and other intermediaries in order to support the growth of Thailand’s capital market, as well as to help boost our competitiveness in the region. We will be more proactive in matching the right financial opportunities for customers in all segments, including listed companies, and domestic and foreign investors,” Charamporn added.

With the **Empowering Business** strategy, the SET aims to raise its market capitalization from new listings by THB 120 billion by growing big-cap and middle-sized companies and securities on the bourse, including infrastructure funds and real estate investment trusts (REITs), and to facilitate multinational and holding companies to list on the bourse, promote the merger and acquisition as the key agenda for the Thai economy, and pro-actively enhance investor relation capability of listed companies.

For the **Empowering Investors** strategy, Charamporn said the SET expects to expand the number of retail investors to 740,000-750,000 accounts and derivatives investors to 80,000 accounts. The SET foresees online trading to grow progressively, so the exchange will continue to promote this trading channel via intermediaries, including banks, which target to boost online trading to 50 percent of the total trading volume of retail investors. For domestic

institutional investors, the SET plans to hold intensive trainings for brokers and other market's participants to improve expertise in new products and new trading system.

The SET expects its daily trading volume to increase to THB 31-32 billion (USD 969 million – 1 billion) on average this year and derivatives trading to 55,000-57,000 contracts per day by **matching the right financial opportunities**. The exchange plans to add exchange-traded funds (ETFs) on the bourse, and launch ThaiDRs and currency futures, subject to central bank and stock regulator approvals. Meanwhile, the SET plans to boost liquidity of its popular products, such as SET50 futures and gold futures, and to expand post-trade services to cover all aspects, especially for securities borrowing and lending (SBL).

“So far, the fluctuation of global stock markets has influenced the investment decision globally as investors now need financial products to hedge investment risks, reflecting in higher trading volume of SET50 futures and derivatives products. Therefore, introducing new products on the bourse and boosting liquidity of derivatives products are key strategies this year,” Charnporn said.

In addition, the SET also wants to enhance Thai securities on the radar screens of foreign investors by attracting new investor groups and increasing the visibility of ASEAN exchanges through implementing the ASEAN trading link in the third quarter of this year.

For **Strengthening SET's capabilities**, the SET has strived to develop the new trading platform for equities and derivatives, as well as data dissemination and market surveillance, and expects to kick off its new securities trading engine in the third quarter of this year.

The exchange is also planning to develop its Operations Master Plan and improve its regulation and surveillance process to meet leading international standards. It will launch the Trading Alert List, a measure to help monitor unusual trading for investors, on January 23.

To **strengthen intermediaries**, the SET will work with securities firms in several aspects, especially marketing, new product development, and infrastructure development to expand brokers' businesses with cost efficiency, and support the Association of Securities Companies to become Self-Regulatory Organization (SRO) which the SET hopes to get the clear roadmap by March.

For the long-term capital market development this year, the SET aims to promote listed firms' awareness of the Environment, Society, and Governance standards (ESG), upgrade the knowledge and financial capabilities of investors for long-term investors' expansion, and enhance standards of knowledge for professionals.

“Our efficiency improvement is another key subject which we value continuously. We expect to keep on reducing our cost-to-income ratio (CIR), now at 63 percent. This number has decreased tremendously over the last three years from 93 percent, but our ratio is still higher than Singapore's 44 percent and Malaysia's 55 percent,” Charnporn said.



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