

Emerging Asian Fixed Income Markets

Emerging Asian Fixed Income Markets

Erik Banks


MACMILLAN

© Eric Banks, 1994

Softcover reprint of the hardcover 1st edition 1994

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1P 9HE.

Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

First published in the United Kingdom by
MACMILLAN PRESS LTD, 1994
Companies and representatives throughout the world.

Distributed by Macmillan Direct
Brunel Road, Houndmills,
Basingstoke, Hants RG21 2XS, England.

ISBN 978-1-349-13635-3 ISBN 978-1-349-13633-9 (eBook)
DOI 10.1007/978-1-349-13633-9

A catalogue record for this book is available
from the British Library.

10 9 8 7 6 5 4 3 2 1
03 02 01 00 99 98 97 96 95 94

While every care has been taken in compiling the information contained in this publication, the publishers and author accept no responsibility for any errors or omissions.

Contents

Acknowledgements	vii
Abbreviations	ix
1 Introduction	1
2 People's Republic of China	29
3 Hong Kong	53
4 India	79
5 Indonesia	111
6 Malaysia	137
7 Philippines	171
8 Singapore	197
9 South Korea	223
10 Taiwan	254
11 Thailand	285

Contents

Appendices

I	Security Comparison Chart	313
II	Representative Offshore Debt Issues	317
III	Current Reserve/Liquidity Requirements for Financial Institutions	323
IV	Foreign Exchange Appreciation/Depreciation Figures	327
V	Emerging Asian Stock Market Indexes	329
	References	331
	Index	341

Acknowledgements

Various people deserve thanks and recognition for their contribution to various aspects of this text. I would first like to thank those who provided valuable comments on various chapters of the book; their insight and suggestions were of tremendous help in making this a more accurate and focused book. Specifically, I would like to express my gratitude to Dr. S. Ghon Rhee, Professor of Finance at the University of Rhode Island and Director of the Pacific-Basin Capital Markets Research Center; Dr. K. Sriram, Professor of Finance at the BIM in India; and Margaret Soares at Bloomberg Business News in Hong Kong.

I would also like to thank the organizations detailed below; their willingness to provide key data on a timely basis was invaluable to the completion of this work.

Central Bank of the Philippines, Government Securities Department
Hong Kong Monetary Authority
Kuala Lumpur Stock Exchange, Public Affairs Unit
Korea Securities Dealers Association, International Relations Department
Korea Stock Exchange, International Relations Department
Indian Banks' Association, Economics Department
Monetary Authority of Singapore, International Relations Department
State Bank of India
Taiwan Stock Exchange, International Affairs Department

I would also like to express my thanks and appreciation to Andrea Hartill at Macmillan Press for giving me yet another opportunity to write under the Finance and Capital Markets Series. Credit is also due to Grace Evans and Penelope Allport for providing superb editorial assistance.

My deepest thanks go to my wife, Milena, to whom this book is dedicated. Her patience in allowing me to spend many weekends and evenings writing this book was beyond the call of duty; I am very fortunate that she understands and supports, as perhaps only another writer can, the need to embark on these occasional projects.

E.B.
June 1994
Tokyo, Japan

Abbreviations

Following is a list of commonly used abbreviations the reader will encounter in the text.

ADB	Asian Development Bank
ASAC	Asian Securities Analysts Council
BA	Bankers' Acceptance
BI	Bank Indonesia
BIBOR	Bangkok Interbank Offered Rate
BNM	Bank Negara Malaysia
BOK	Bank of Korea
BOT	Bank of Thailand
CBC	Central Bank of China
CBCI	Central Bank Certificate of Indebtedness
CBP	Central Bank of the Philippines
CCI	Controller of Capital Issues
CD	Certificate of Deposit
CP	Commercial Paper
CPF	Central Provident Fund
CSRC	China Securities Regulatory Commission
EFB	Exchange Fund Bill
EFN	Exchange Fund Note
EPF	Employee's Provident Fund
FRTN	Floating Rate Treasury Note
GATT	General Agreement on Tariffs and Trade
GSD	Government Securities Department
HIBOR	Hong Kong Interbank Offered Rate
HKMA	Hong Kong Monetary Authority
IFR	International Financing Review
JIBOR	Jakarta Interbank Offered Rate

Abbreviations

KLIBOR	Kuala Lumpur Interbank Offered Rate
MAS	Monetary Authority of Singapore
MGS	Malaysian Government Security
MOF	Ministry of Finance
NCD	Negotiable Certificate of Deposit
NSE	National Stock Exchange
OECD	Organisation for Economic Cooperation and Development
OTC	Over-the-Counter
OTCEI	Over-the-Counter Exchange of India
PBC	People's Bank of China
RBI	Reserve Bank of India
RPTB	Republic of the Philippines Treasury Bill
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission
SIBOR	Singapore Interbank Offered Rate
SSE	Shanghai Stock Exchange
WTO	World Trade Organization

Currencies

Bht.	Thai Baht
cr	crore (10,000 Indian rupees)
HK\$	Hong Kong Dollar
Kw	Korean Won
M\$	Malaysian Ringgit
NT\$	New Taiwan Dollar
Ps.	Philippine Peso
RMB	Chinese Renminbi
Rp.	Indonesian Rupiah
Rs.	Indian Rupee
S\$	Singapore Dollar