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SET revises rules to accommodate DWs with foreign stocks as underlying assets

BANGKOK, December 13, 2021 - The Stock Exchange of Thailand (SET) has extended the types of underlying assets for derivative warrants (DWs) to cover foreign stocks and adjusted its ceiling & floor limits criteria for Foreign Underlying linked DWs. The revised regulations go into effect from Dec 13, 2021 onwards.

SET President Pakorn Peetathawatchai said that SET has amended DW regulations by adding foreign stocks to the underlying assets on top of local stocks and indices, as well as foreign indices. To keep pace with the move and to be more appropriate, the ceiling & floor limits for DWs on foreign underlying assets have been set at not over 20 times the DW closing prices on the previous day. In addition, SET has stepped up regulatory oversight of DWs with irregular trading in the similar practice to SET's supervision on stock trading in order to mitigate risks for investors. SET will announce the DWs that are subject to Market Surveillance Measure List via this website: www.set.or.th. In addition, SET has also adjusted the criteria on information disclosure to make underlying asset information accessible to investors to help them make investment decisions.

From January to November 2021, 190 new series of DWs with foreign underlying assets were traded on SET, up 13 percent from a year earlier. The daily trading value of DWs averaged THB 472 million (approx. USD 14.12 million), rising 16 percent year-on-year. The trading of DWs that use foreign indices as underlying assets makes up 5.5 percent of SET's overall DW trading value at THB 8.58 billion per day on average.

Information on DWs and those with foreign underlying assets is available at www.set.or.th.

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