



วิจารณ์บทความ

**Mapping Thailand's Financial Landscape:
A Perspective through Balance Sheet Linkages
and Contagion**

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①

Financial Interconnectedness  Increase + More Complex

②



③

Study on all players' balance sheets relationships

+

Stress-test on network model of all relationships

Mapping Thailand's Financial Landscape: A Perspective through Balance Sheet Linkages and Contagion



(Table 1)

CB		GG		ODC		OFC	
A	L	A	L	A	L	A	L
ROW	ROW	NFC	ROW	ROW	ROW	ROW	HHNPISH
GG	ODC	ODC	ODC	GG	OFC	GG	NFC
	OFC		OFC	CB	NFC	CB	ODC
	NFC		NFC	NFC	HHNPISH	NFC	ROW
	HHNPISH		HHNPISH	HHNPISH	GG	ODC	

NFC		HHNPISH		ROW	
A	L	A	L	A	L
ROW	ROW	CB	ODC	CB	CB
GG	GG	GG		GG	ODC
CB	OFC	ODC		ODC	OFC
NFC	ODC	OFC		OFC	NFC
OFC	HHNPISH	NFC		NFC	
	NFC	ROW			

With emphasis on size of each asset and liability in each balance sheet.

In multi-currency items will show not only effect of linkage in fund flow but also in currency flow.

- ④ On size of balance sheets of all players, some numbers are quite different from general beliefs :

NFC : liabilities ~ 50 Tri. Baht vs. ~18 Tri. Baht + 3 Tri. Baht

ODC : asset + liabilities ~ 30 Tri. Baht vs. ~16 Tri. Baht

OFC : asset + liabilities ~ 16 Tri. Baht vs. ~ 5 Tri. Baht

What's the difference?

From trade activities?? Real assets??

What is the reason for OFC's differences?

5

- Transition of funding source usages from debt and loan to equity and investment funds
- Increase in importance of capital market on economic growth / condition compared to that of banking and debenture markets



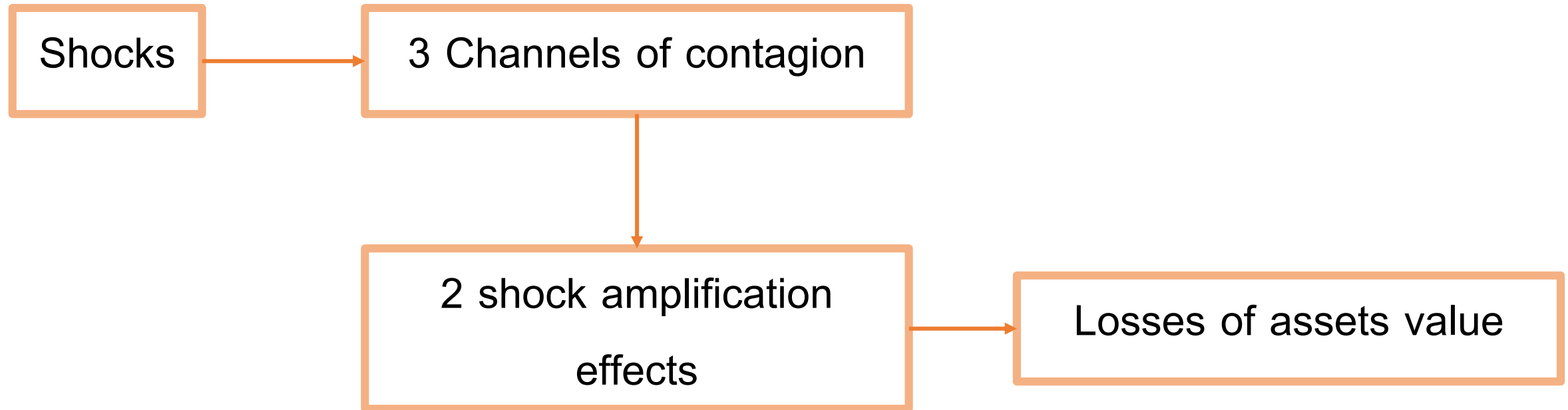
Policy that affect capital market will be more critical

⑥ Roles of each sector in shock transmission mechanisms

- Shock Generators → Sectors with equities and short-term instrument on liability side
- Shock absorbers → Sectors with EQ. + short-term instruments on asset side
- Combined with table 1 → will identify these two groups of players and will support article's figure 3.9 + 3.10

- ⑦ When focus to individual unit's balance sheet in all sub-sector show more detail information that can be further analyzed and could be used to compared to the facts

⑧ On Stress Testing



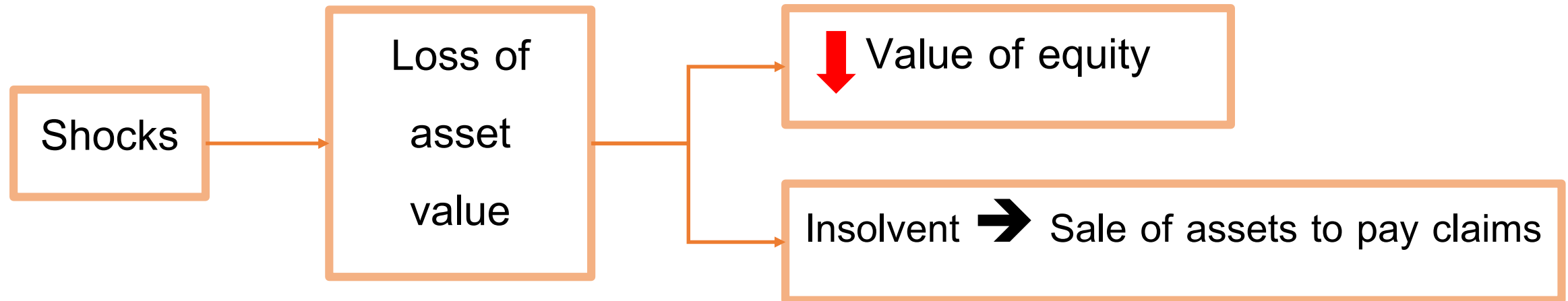
I. Channels of contagion :

1. Market Channel :



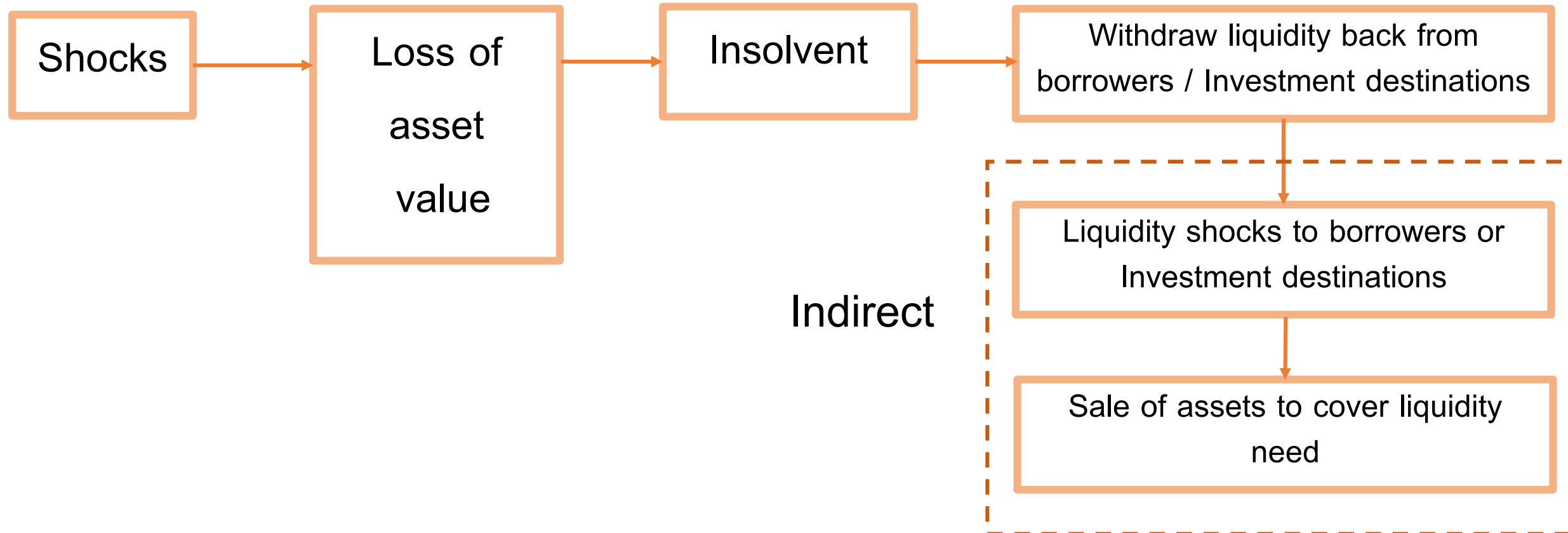
I. Channels of contagion :

2 . Liability and ownership channel:



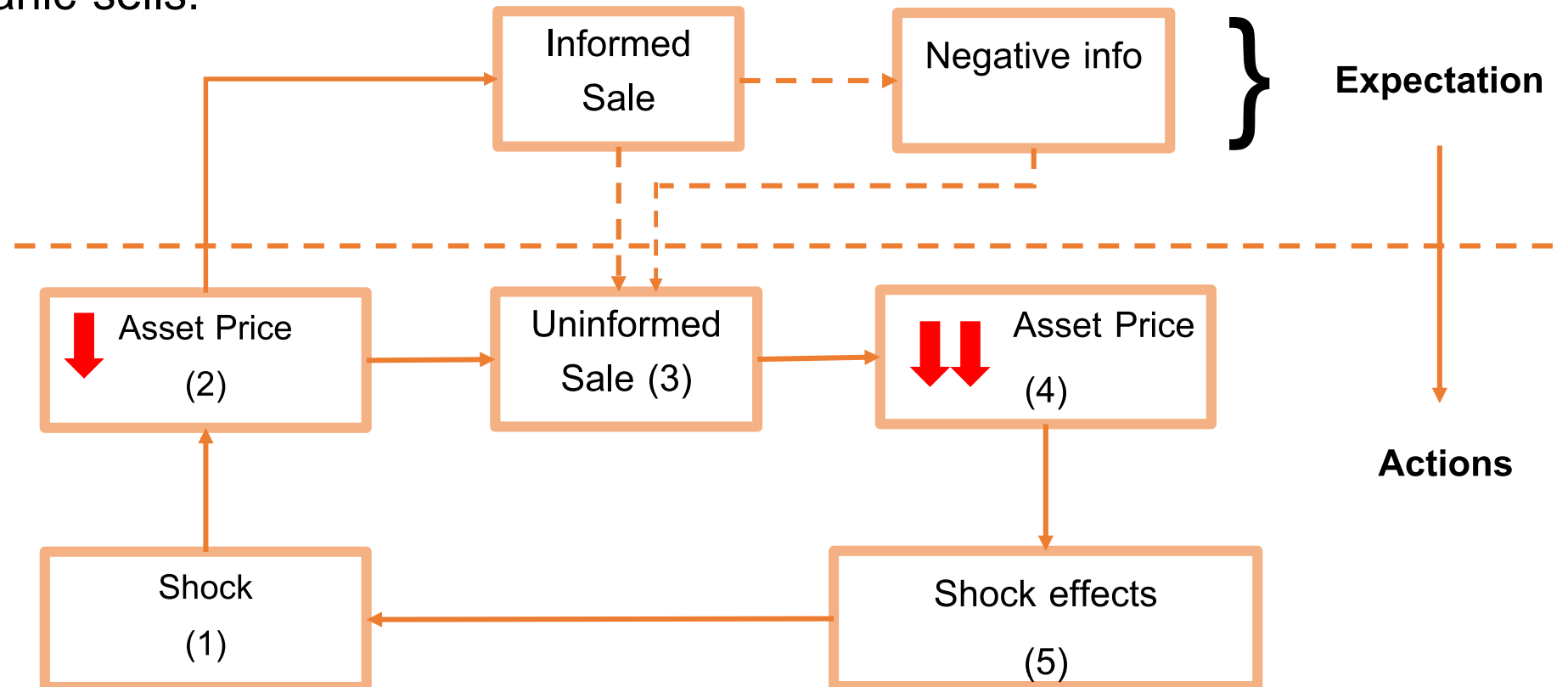
I. Channel of contagion :

3 . Reverse liquidity channel:



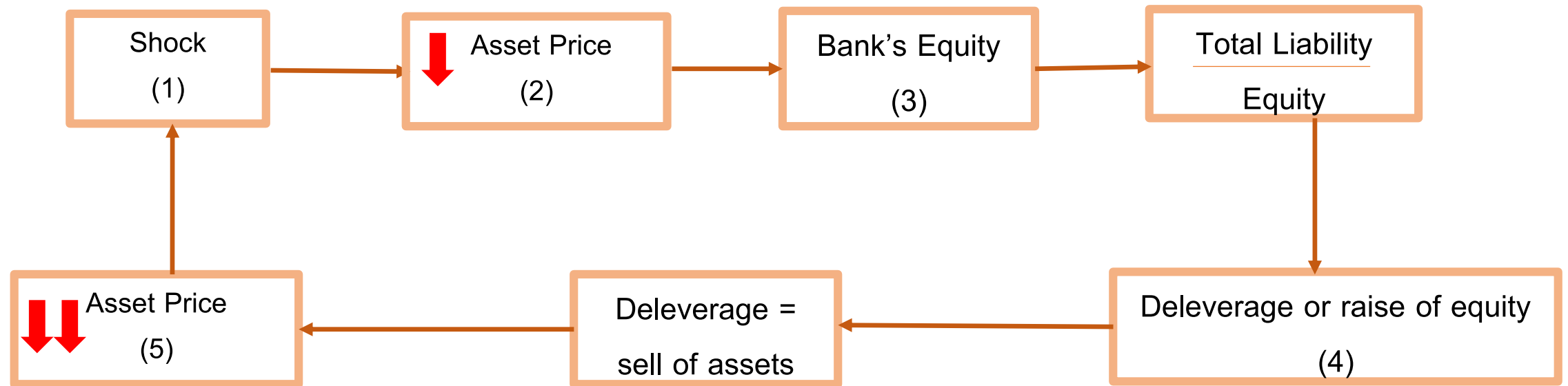
II. Amplification Effects:

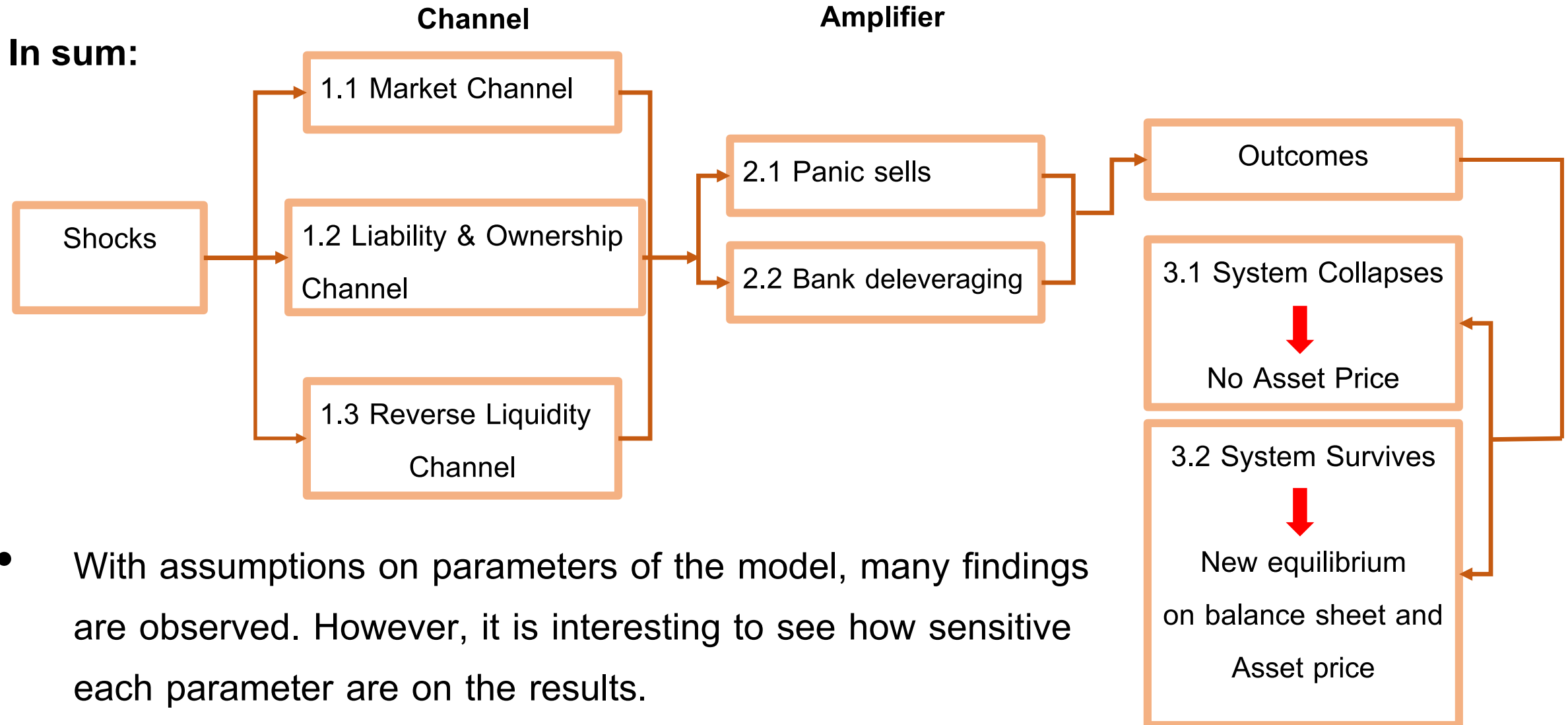
1. Panic sells:




II. Amplification Effects:

2. Bank Deleveraging:





Applications :

- Sensitivity analysis on changes in input parameters to the outcomes
- 
- Policy application to stabilize, correct and manage the financial system based on financial landscape, composition, channels and amplifier parameters.

Future considerations:

Linkage on multiple currencies assets and liabilities.



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