

Independent study title	THE INFORMATION CONTENT OF THE TERM STRUCTURE OF INTEREST RATES: THE IMPLICATIONS OF STRUCTURAL BREAKS IN THAI GOVERNMENT BOND YIELDS
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## **ABSTRACT**

This paper explores the information content of the term structure of interest rates through an analysis of Thai government bond yields. Employing the Bai-Perron structural break methodology to segment daily bond yield data from July 2001 to December 2023 into subperiods, this study investigates whether the term structure contains information about future interest rates, inflation, and GDP growth amidst market inefficiencies and liquidity constraints. The findings offer significant insights into the relationship between forward rates and future spot rates across various horizons. The forward rate contains information and signals changes in the future spot rate, particularly over one period ahead. However, the ability of the yield curve slope to signal future inflation rates is less consistent, though it still provides valuable insights into GDP growth.

Keywords: Expectation hypothesis, Term structure of interest, Yield curve