

KBank

Daily Update

1 July 2025

Thailand current account posted a deficit, worse than expected

Market summary: The US Dollar Index closed lower yesterday, marking a decline for the sixth consecutive month — the longest streak since 2017. In the first half of this year alone, the US dollar has depreciated by 10.8%, the steepest drop since 1973. Thailand's current account in May posted a deficit of USD -312 million, worse than the forecast surplus of USD 340 million.

Factors to watch: Europe CPI, US JOLTS job openings (Tue), US ADP employment (Wed), US nonfarm payroll, unemployment rate and ISM services PMI (Thu), Europe PPI (Fri)

USD/THB: Open 32.46, Support 32.30, Resistance 32.55

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Macro update

- **The US Dollar Index closed lower yesterday, marking a decline for the sixth consecutive month — the longest streak since 2017. In the first half of this year alone, the US dollar has depreciated by 10.8%, the steepest drop since 1973,** amid uncertainty from Trump's tax policies and the passage of a major budget bill. Trump continues to pressure Powell to keep cutting interest rates.
- **US economic indicators remain negative.** The Dallas Fed's June business activity index stood at -12.7, worse than the forecast of -10.0, though an improvement from -15.3 in the prior month. Meanwhile, the Chicago PMI slowed to 40.4, below the expected 43.0 and down slightly from 40.5 in the previous month.
- **Raphael Bostic, President of the Atlanta Fed, sees only one rate cut this year and three more in 2026,** estimating that inflation is returning to the 2% target without needing additional rate hikes.
- **The euro has strengthened the most against the US dollar since 2021, and the most against the Chinese yuan since 2014. The EU announced it would accept the 10% US tariff applied globally** but wants to negotiate exemptions for key European goods — especially the 25% tariff on automobiles and the 50% tariffs on steel and aluminum.
- **The Japanese yen strengthened against the US dollar this morning after the Q2 large manufacturers index rose to 13, above expectations** of 10 and higher than the previous figure of 12, potentially opening the door for the BOJ to raise rates at its meeting later this month.
- **The Thai baht appreciated 0.48% against the US dollar,** amid capital outflows from the bond market and slight inflows into Thai equities. **Thailand's current account in May posted a deficit of USD -312 million, worse than the forecast surplus of USD 340 million,** and marking a second consecutive month of deficit following April's USD -1.545 billion. This was due to rising imports, slower tourist arrivals, and profit repatriation by foreign companies. However, in the first five months of the year, Thailand's current account recorded a surplus of USD 8.618 billion.

Dear Valued Customers,

Thank you very much for your participations in The Asset’s survey regarding “The Asian Local Currency Bond Benchmark Review 2024”.



As always, we thank you for your continued support of our research products and services.

Yours Sincerely,
Dr.Kobsidthi Silpachai, CFA
Head – Capital Markets Research
Kasikornbank

Awardee (Individual)	Awardee Company	Award	Markets	Function
Kobsidthi Silpachai	Kasikornbank	Best Sellside Individual	Thai Baht	Research
	Kasikornbank	Top arranger - Investors' Choice for primary issues - Corporate bonds	Thai Baht	
	Kasikornbank	Top sellside firm in the secondary market- Corporate bonds	Thai Baht	
	Kasikornbank	Top sellside firm in the secondary market- Government bonds	Thai Baht	

KBANK Counter rates:

as of 01-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.20	32.30	32.60
EUR/THB	37.83	37.88	38.63
GBP/THB	44.04	44.12	45.03
JPY/THB	0.222	0.223	0.230

KBANK SWAP Point Rates:

Premium/Discount (1M) as of 01-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	30-Jun-25	27-Jun-25	Change
Dow Jones	44,094.77	43,819.27	0.6%
S&P 500	6,204.95	6,173.07	0.5%
Treasury Yield 2yr note (%)	3.72	3.75	-3 bps
Treasury Yield 10yr note (%)	4.23	4.28	-5 bps

European Markets	30-Jun-25	27-Jun-25	Change
Germany (DAX)	23,910	24,033	-0.5%
France (CAC 40)	7,666	7,692	-0.3%
UK (FTSE 100)	8,761	8,799	-0.4%
Bund Yield 2yr note (%)	1.86	1.86	0 bps
Bund Yield 10yr note (%)	2.61	2.59	2 bps

Thai Markets	30-Jun-25	27-Jun-25	Change
SET	1,089.56	1,082.42	0.7%
TGB Yield 2yr note (%)	1.40	1.40	0 bps
TGB Yield 5yr note (%)	1.40	1.41	-1 bps
TGB Yield 10yr note (%)	1.60	1.60	0 bps

Money Markets	30-Jun-25	27-Jun-25
THOR	1.73863	1.74286
O/N	1.74499	1.74527
1M	1.83549	1.84009
3M	1.99961	2.00793
6M	1.79398	1.79374
BIBOR	1.89045	1.89046
3M	1.93144	1.93135
6M		

Foreign capital flows	30-Jun-25	27-Jun-25
Thai Bonds (M THB)	-3,286	-2,513
Thai Stocks (M THB)	116	-1,129

Commodities	30-Jun-25	change
WTI Crude (USD/bbl)	65.1	-0.63%
Dubai Fateh (USD/bbl)	65.6	-0.11%
Gold (USD/ounce)	3,303.1	0.88%

FX Markets	Morning Spot	Closing rates		Daily %Change		Consensus End-2025
		30-Jun-25	27-Jun-25			
USD/THB**	32.46	32.46	32.61	-0.48%		33.70
EUR/USD	1.180	1.179	1.172	0.59%		1.17
USD/JPY	143.64	144.03	144.65	-0.43%		140.0
GBP/USD	1.374	1.373	1.372	0.12%		1.36
USD/CNY	7.164	7.164	7.173	-0.12%		7.20
USD/SGD	1.270	1.272	1.276	-0.34%		1.29
USD/IDR	16,238	16,238	16,205	0.2%		16,250
USD/MYR	4.193	4.210	4.231	-0.49%		4.26
USD/PHP	56.32	56.32	56.56	-0.42%		55.80
USD/KRW	1,350	1,354	1,362	-0.57%		1,375
USD/NTD	29.59	29.59	29.15	1.5%		30.00
AUD/USD	0.6576	0.6581	0.6529	0.8%		0.6700
USD/CHF	0.7920	0.7931	0.7990	-0.74%		0.82
USD/VND	26117	26118	26095	0.09%		26100
JPY/THB	22.59	22.53	22.55	-0.05%		24.07
EUR/THB	38.28	38.26	38.21	0.11%		39.43
GBP/THB	44.59	44.57	44.73	-0.36%		45.83
CNY/THB	4.53	4.53	4.55	-0.36%		4.68

***FOR MOST RECENT KBANK COUNTER RATE PLEASE FOLLOW THE LINKS:

Foreign Exchange Rate: <https://www.kasikornbank.com/en/rate/Pages/Foreign-Exchange.aspx>

1-Month Forward Rate: <https://www.kasikornbank.com/en/rate/Pages/forward.aspx>

Source: Bloomberg and ** denotes KBANK's projection

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