KBank Daily Update

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Market keeps eyes on US-China trade talk in the second day

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Market summary: The US Dollar Index weakened amid ongoing trade negotiations between the US and China in London, which have yet to yield any conclusions. US inflation expectations for the next 1 year, surveyed by the New York Fed in May, slowed to 3.2%, below the forecast. The Chinese yuan appreciated against the US dollar after inflation data came in better than expected and exports continued to grow.

Factors to watch: US CPI (Wed), UK GDP and US PPI (Thu), US consumer confidence by U Mich (Fri)

USD/THB: Open 32.66, Support 32.55, Resistance 32.80

Macro update

- **The US Dollar Index weakened amid ongoing trade negotiations between the US and China in London, which have yet to yield any conclusions.** The talks are continuing today for a second day, with reports indicating that discussions have not been easy. The main objective is to ease tensions over technology and rare earth exports.
- **US inflation expectations for the next 1 year, surveyed by the New York Fed in May, slowed to 3.2%, below the forecast** of 3.5% and down from 3.6% the previous month. Meanwhile, the 3-year inflation outlook also declined to 3.0% from 3.2%, due to ongoing trade negotiations and a temporary tariff reduction agreement between the US and China, which has led to a downward trend in import tariffs.
- **The euro strengthened against the US dollar** amid speculation that the ECB may be nearing the end of its rate-cutting cycle. Recently, Peter Kažimír stated that ECB interest rates have reached a neutral level. However, markets still anticipate the ECB may cut rates again later this year. Additionally, the Bank of Spain revised down its GDP forecast for this year to 2.4% from 2.7%, citing uncertainty stemming from US import tariffs.
- **The Chinese yuan appreciated against the US dollar after inflation data came in better than expected and exports continued to grow.** China's inflation in May contracted -0.1%YoY, better than the forecast of -0.2%YoY and unchanged from -0.1%YoY in the prior month. Meanwhile, Chinese exports in May grew by 4.8%YoY, though slowing from 6.0%YoY and 8.1%YoY in previous months. However, exports to the US sharply contracted by 34%YoY, despite the temporary tariff reductions. Imports also contracted by -3.4%YoY, compared to the forecast of -0.8%YoY, resulting in a trade surplus of USD 103.22 billion, higher than the forecast of USD 101.10 billion.
- **The People's Bank of China continued its gold purchases for a seventh consecutive month in May,** increasing its gold reserves to 73.83 million troy ounces, up from 73.77 million troy ounces in April.

- **The Japanese yen appreciated against the US dollar yesterday** amid speculation that the Bank of Japan (BoJ) may slow down its bond purchases, potentially paving the way for future interest rate hikes.
- **The Thai baht weakened against the US dollar** as capital continued to flow out of both the Thai equity and bond markets.

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,
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	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	

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KBank Counter rates:

as of 10-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.41	32.51	32.81
EUR/THB	36.84	36.90	37.65
GBP/THB	43.72	43.79	44.68
JPY/THB	0.222	0.222	0.230

KBank SWAP Point Rates:

Premium/Discount (1M) as of 10-Jun-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	9-Jun-25	6-Jun-25	Change
Dow Jones	42,761.76	42,762.87	0%
S&P 500	6,005.88	6,000.36	0.1%
Treasury Yield 2yr note (%)	4.00	4.04	-3 bps
Treasury Yield 10yr note (%)	4.47	4.51	-3 bps

European Markets	9-Jun-25	6-Jun-25	Change
Germany (DAX)	24,174	24,304	-0.5%
France (CAC 40)	7,791	7,805	-0.2%
UK (FTSE 100)	8,832	8,838	-0.1%
Bund Yield 2yr note (%)	1.86	1.88	-2 bps
Bund Yield 10yr note (%)	2.57	2.58	-1 bps

Thai Markets	9-Jun-25	6-Jun-25	Change
SET	1,135.24	1,136.43	-0.1%
TGB Yield 2yr note (%)	1.51	1.51	0 bps
TGB Yield 5yr note (%)	1.54	1.53	0 bps
TGB Yield 10yr note (%)	1.69	1.69	0 bps

Money Markets		
THOR	9-Jun-25	6-Jun-25
O/N	1.74655	1.74664
1M	1.74494	1.74470
3M	1.89172	1.89742
6M	2.05785	2.06611
BIBOR	9-Jun-25	6-Jun-25
1M	1.79605	1.79616
3M	1.89352	1.89362
6M	1.93603	1.93687

Foreign capital flows	9-Jun-25	6-Jun-25
Thai Bonds (M THB)	-2,133	-166
Thai Stocks (M THB)	-203	-1,394

Commodities	9-Jun-25	change
WTI Crude (USD/bbl)	65.3	1.1%
Dubai Fateh (USD/bbl)	66.6	2.46%
Gold (USD/ounce)	3,326.2	0.48%

Markets	Morning Spot	Closing rates 9-Jun-25	Closing rates 6-Jun-25	Daily % Change	Consensus End-2025
USD/THB**	**32.66**	**32.67**	**32.61**	**0.17%**	**35.50**
EUR/USD	1.142	1.142	1.140	0.22%	1.15
USD/JPY	144.60	144.57	144.85	-0.19%	140.0
GBP/USD	1.355	1.355	1.353	0.17%	1.35
USD/CNY	7.179	7.179	7.193	-0.18%	7.20
USD/SGD	1.286	1.286	1.290	-0.24%	1.29
USD/IDR	16,275	16,275	16,275	0%	16,400
USD/MYR	4.234	4.232	4.232	0.01%	4.22
USD/PHP	55.83	55.83	55.64	0.34%	55.50
USD/KRW	1,355	1,355	1,356	-0.06%	1,380
USD/NTD	29.94	29.94	29.93	0.06%	30.20
AUD/USD	0.6516	0.6516	0.6490	0.4%	0.6600
USD/CHF	0.8216	0.8218	0.8223	-0.06%	0.82
USD/VND	26038	26041	26056	-0.06%	25975
JPY/THB	22.59	22.60	22.51	0.37%	25.36
EUR/THB	37.31	37.31	37.17	0.39%	40.83
GBP/THB	44.26	44.27	44.11	0.35%	47.93
CNY/THB	4.55	4.55	4.53	0.36%	4.93

***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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