

KBank

Daily Update

11 July 2025

Trump to impose 35% tariff on Canada

Market summary: Dollar index gain further this morning as Trump plans to impose 35% tariff on Canada starting 1 August. US initial jobless claims fell to the lowest in 2 months. Fed minutes indicated most officials see rate cut this year as appropriate but have different view on how much amid tariffs impact uncertainty. Reserve Bank of New Zealand and Bank of Korea held rate steady, while Bank Negara Malaysia cut rate for the first since July 2020. MPC minutes reveal that the BoT wants monetary policy to stay accommodative but wants to preserve policy space.

Factors to watch: UK GDP (Fri)

USD/THB: Open 32.61, Support 32.45, Resistance 32.75

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Macro update

- **The U.S. dollar index closed slightly higher over the past two days at 97.6.** US initial jobless claims fell to 227k, the lowest in 2 months and better than 235k forecast. However, continuing claims rose to 1,965k as expected near the highest level since late-2021. **Treasury yields end up closed slightly higher after auctions of 30-year bonds show good demand** despite concerns on US fiscal and tariffs impact. Meanwhile, traders still see 2 cuts from the Fed this year but won't cut this month.
- **Fed minutes indicated most officials see rate cut this year as appropriate but have different view on how much** amid differing expectations for how tariffs might affect inflation. Fed's **Musalem said he sees upside risks to inflation**, but it's too early to know whether tariffs will have a persistent impact on prices. Fed's **Daly sees two cuts in 2025, says tariffs' price hit may be muted.** Fed's **Waller see rate is too restrictive and the Fed may cut rate at this month meeting.** Waller also said the Fed should be able to reduce reserve balance.
- On trade tension, **this morning Trump says will impose 35% tariffs on most goods from Canada** starting 1 August. Also, **will impose baseline tariffs of 15-20% on most trade partners.** Trump says **will send letter to EU about tariff today or tomorrow.** **Dollar index open gain this morning** while **Canadian dollar fell -0.6%.**
- **Reserve Bank of New Zealand held rate at 3.25% as expected** though they said may cut rate further if inflation pressure ease as expected. **Bank of Korea kept rate unchanged at 2.50% as expected** as well amid concern on high household debt and sky-high apartment prices in Seoul. **Bank Negara Malaysia cut rate 25bps to 2.75% as expected, the first since July 2020** as they sees risks to growth tilt to the downside especially amid Trump's tariffs.
- **China inflation rose 0.1%YoY in June higher than -0.1%YoY expected** and prior month amid rising durable goods prices from government subsidies. **Producer prices index fell -3.6%YoY the most in 23 months and below -3.2%YoY forecast.**
- **Oil prices fell more than -2% as OPEC+ discuss a pause in expanding production from October onwards** as they fears oil prices could fall even more if they continue with production hikes.

- **Thai baht fell -0.5% to 32.698 per US dollar on Wednesday.** MPC minutes reveal that the BoT wants monetary policy to stay accommodative but see policy has **limited effect** in addressing Thai’s economy’s low competitiveness. It’s important to preserve policy space amid high uncertainties.

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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Awardee (Individual)	Awardee Company	Award	Markets	Function
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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	

KBank Counter rates:

as of 11-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.38	32.48	32.78
EUR/THB	37.64	37.68	38.45
GBP/THB	43.67	43.74	44.65
JPY/THB	0.219	0.219	0.227

KBank SWAP Point Rates:

Premium/Discount (1M) as of 11-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	10-Jul-25	9-Jul-25	Change
Dow Jones	44,650.64	44,458.30	0.4%
S&P 500	6,280.46	6,263.26	0.3%
Treasury Yield 2yr note (%)	3.87	3.84	3 bps
Treasury Yield 10yr note (%)	4.35	4.33	2 bps

European Markets	10-Jul-25	9-Jul-25	Change
Germany (DAX)	24,457	24,550	-0.4%
France (CAC 40)	7,902	7,878	0.3%
UK (FTSE 100)	8,976	8,867	1.2%
Bund Yield 2yr note (%)	1.89	1.86	3 bps
Bund Yield 10yr note (%)	2.71	2.67	3 bps

Thai Markets	9-Jul-25	8-Jul-25	Change
SET	1,110.40	1,115.65	-0.5%
TGB Yield 2yr note (%)	1.36	1.37	0 bps
TGB Yield 5yr note (%)	1.40	1.41	-1 bps
TGB Yield 10yr note (%)	1.54	1.55	-1 bps

Money Markets	9-Jul-25	8-Jul-25
THOR	1.74525	1.74506
O/N	1.74507	1.74537
1M	1.80542	1.80819
3M	1.97301	1.97580
6M	1.79202	1.79243
BIBOR	1.88666	1.88685
6M	1.92106	1.92219

Foreign capital flows	9-Jul-25	8-Jul-25
Thai Bonds (M THB)	1,452	-1,910
Thai Stocks (M THB)	7	162

Commodities	10-Jul-25	change
WTI Crude (USD/bbl)	66.6	-2.65%
Dubai Fateh (USD/bbl)	70.0	-0.79%
Gold (USD/ounce)	3,315.2	0.1%

FX Markets	Morning Spot	Closing rates		Daily %Change	Consensus End-2025
		10-Jul-25	9-Jul-25		
USD/THB**	32.61	32.70	32.70	0%	33.70
EUR/USD	1.168	1.169	1.171	-0.16%	1.17
USD/JPY	146.63	146.47	146.42	0.03%	140.0
GBP/USD	1.356	1.356	1.358	-0.15%	1.37
USD/CNY	7.178	7.178	7.181	-0.03%	7.15
USD/SGD	1.281	1.281	1.281	-0.04%	1.28
USD/IDR	16,220	16,220	16,243	-0.14%	16,200
USD/MYR	4.254	4.249	4.250	-0.02%	4.26
USD/PHP	56.52	56.46	56.57	-0.2%	56.00
USD/KRW	1,374	1,373	1,375	-0.14%	1,350
USD/NTD	29.26	29.24	29.15	0.31%	29.35
AUD/USD	0.6567	0.6573	0.6533	0.61%	0.6700
USD/CHF	0.7975	0.7977	0.7954	0.29%	0.81
USD/VND	26117	26115	26138	-0.09%	26200
JPY/THB	22.24	22.32	22.33	-0.03%	24.07
EUR/THB	38.07	38.21	38.27	-0.16%	39.43
GBP/THB	44.21	44.35	44.42	-0.15%	46.17
CNY/THB	4.54	4.56	4.55	0.03%	4.71

***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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