# KBank Daily Update

12 June 2025

## Trump plans to set unilateral tariffs in next 1–2 weeks

**Market summary**: Although Trump announced that a preliminary trade deal with China is complete, it still requires President Xi Jinping's approval. Trump plans to issue a letter setting unilateral tariff rates within 1–2 weeks. U.S. inflation in May rose less than expected, while WTI crude oil jumped 5% amid heightened tensions from Iran's threats. We revised its year-end baht forecast to 33.70 THB/USD.

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

**USD/THB**: Open 32.59, Support 32.40, Resistance 32.65

**Dr.Kobsidthi Silpachai, CFA**
Kobsidthi.s@kasikornbank.com
Head - Market and Economic Research

**Kittika Boonsrang**
Kittika.bo@kasikornbank.com
Senior Market and Economic Research Specialist

**Sarah Polpibulaya**
Sarah.p@kasikornbank.com
Senior Market and Economic Research Specialist

**Jongrak Kongkumchai**
Jongrak.k@kasikornbank.com
Market and Economic Research Specialist

## Macro update

- **The U.S. dollar index weakened** despite **President Trump announcing that a preliminary trade deal with China had been completed.** The deal includes rare earth and magnet exports from China, the U.S. allowing Chinese students, and maintaining low import tariffs. However, **it still awaits President Xi Jinping's approval**. Media reports indicate that **China may limit rare earth export licenses to six months**, possibly as a future bargaining tool if tensions escalate**. Trump also plans to send a letter setting unilateral tariff rates within 1–2 weeks** before the July 9 deadline. T**reasury Secretary Scott Bessent stated the U.S. may extend tariff suspensions** for partners negotiating in good faith but not for others. **Trump echoed this, saying he's open to extension but may find it unnecessary**. Meanwhile, **the EU expects trade talks with the U.S. to miss the July 9 deadline** due to U.S. one-sided demands. The EU is preparing countermeasures and sectoral cooperation discussions, insisting it won't accept demands that affect its sovereignty.
- **The Chinese yuan closed slightly weaker,** with limited room for appreciation as trade tensions with the U.S. remain unresolved. In contrast, **the Mexican peso strengthened** to its highest since August on optimism over the possible removal of U.S. steel tariffs on Mexico.
- **U.S. inflation in May rose less than expected** with headline CPI increased 0.1% MoM below expectations and 2.4%YoY in line, while core CPI was 2.8%YoY below expectations, driven by a slowdown in some service prices and falling energy costs. **Markets now expect the Fed to hold rates at next week meeting but see rising odds of a rate cut in September**. Yields on 2-year and 10-year U.S. Treasuries dropped by -7bps and -5bps, respectively.
- **WTI crude oil surged 5% to USD 68.2/barrel** after the U.S. ordered a staff evacuation from the Middle East amid Iranian threats to attack bases if nuclear talks fail. However, gains may be capped by profit-taking and concerns that Trump could push for lower oil prices. Hence, this could be just a short-term rebound.
- **The British pound strengthened** after Chancellor Rachel Reeves announced a historic budget increase for the National Health Service. Despite the overall spending boost, departments like the Home Office and Transport face day-to-day

- budget cuts. A tax hike is likely to fund the increased expenditures.
- **The Thai baht closed flat at 32.64 per USD** amid capital outflows from bonds and equities. **We revised our year-end baht forecast to 33.70 THB/USD from 35.50 THB/USD,** citing Trump's tax policy weakening the dollar more than expected and strong foreign inflows into Asian bonds. However, the baht could still weaken as supportive external factors are mostly priced in, while Thailand's weak fundamentals are not yet fully reflected in the market.

**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 Daily Update

KBank

**KBank Counter rates:**

| as of 12-Jun-25 Round 1 | Sight Bill | Buying T/T | Selling T/T |
|---|---|---|---|
| USD/THB | 32.21 | 32.31 | 32.61 |
| EUR/THB | 36.94 | 37.00 | 37.74 |
| GBP/THB | 43.55 | 43.62 | 44.53 |
| JPY/THB | 0.221 | 0.222 | 0.230 |

**KBank SWAP Point Rates:**

| Premium/Discount (1M) as of 12-Jun-25 Export/Import |
|---|
| -8.45 / -5.5 |
| -12.05 / 10.47 |
| -20.27 / 10.54 |
| 0.0249 / 19.6943 |

**Market Summary:**

| US Markets | 11-Jun-25 | 10-Jun-25 | Change |
|---|---|---|---|
| Dow Jones | 42,865.77 | 42,866.87 | 0% |
| S&P 500 | 6,022.24 | 6,038.81 | -0.3% |
| Treasury Yield 2yr note (%) | 3.95 | 4.02 | -7 bps |
| Treasury Yield 10yr note (%) | 4.42 | 4.47 | -5 bps |

| European Markets | 11-Jun-25 | 10-Jun-25 | Change |
|---|---|---|---|
| Germany (DAX) | 23,949 | 23,988 | -0.2% |
| France (CAC 40) | 7,776 | 7,804 | -0.4% |
| UK (FTSE 100) | 8,864 | 8,853 | 0.1% |
| Bund Yield 2yr note (%) | 1.85 | 1.85 | 0 bps |
| Bund Yield 10yr note (%) | 2.54 | 2.52 | 1 bps |

| Thai Markets | 11-Jun-25 | 10-Jun-25 | Change |
|---|---|---|---|
| SET | 1,141.58 | 1,139.16 | 0.2% |
| TGB Yield 2yr note (%) | 1.51 | 1.51 | 0 bps |
| TGB Yield 5yr note (%) | 1.53 | 1.53 | 0 bps |
| TGB Yield 10yr note (%) | 1.70 | 1.68 | 1 bps |

| Money Markets | 11-Jun-25 | 10-Jun-25 |
|---|---|---|
| THOR | 11-Jun-25 | 10-Jun-25 |
| O/N | 1.74642 | 1.74280 |
| 1M | 1.74508 | 1.74507 |
| 3M | 1.88380 | 1.88652 |
| 6M | 2.05229 | 2.05625 |
| BIBOR | 11-Jun-25 | 10-Jun-25 |
| 1M | 1.79589 | 1.79601 |
| 3M | 1.89324 | 1.89348 |
| 6M | 1.93497 | 1.93545 |

| Foreign capital flows | 11-Jun-25 | 10-Jun-25 |
|---|---|---|
| Thai Bonds (M THB) | -1,928 | -2,828 |
| Thai Stocks (M THB) | -234 | 1,433 |

| Commodities | 11-Jun-25 | change |
|---|---|---|
| WTI Crude (USD/bbl) | 68.2 | 4.88% |
| Dubai Fateh (USD/bbl) | 67.4 | 0.51% |
| Gold (USD/ounce) | 3,355.1 | 0.95% |

| FX Markets | Morning Spot | Closing rates 11-Jun-25 | 10-Jun-25 | Daily % Change | Consensus End-2025 |
|---|---|---|---|---|---|
| **USD/THB**** | **32.59** | **32.64** | **32.66** | **-0.05%** | **33.70** |
| EUR/USD | 1.151 | 1.149 | 1.143 | 0.54% | 1.15 |
| USD/JPY | 144.27 | 144.56 | 144.87 | -0.21% | 140.0 |
| GBP/USD | 1.357 | 1.355 | 1.350 | 0.35% | 1.35 |
| USD/CNY | 7.190 | 7.190 | 7.188 | 0.03% | 7.20 |
| USD/SGD | 1.284 | 1.285 | 1.287 | -0.18% | 1.29 |
| USD/IDR | 16,260 | 16,260 | 16,273 | -0.08% | 16,400 |
| USD/MYR | 4.227 | 4.237 | 4.239 | -0.05% | 4.22 |
| USD/PHP | 55.88 | 55.88 | 55.83 | 0.09% | 55.50 |
| USD/KRW | 1,370 | 1,369 | 1,367 | 0.15% | 1,380 |
| USD/NTD | 29.91 | 29.91 | 29.95 | -0.13% | 30.20 |
| AUD/USD | 0.6505 | 0.6501 | 0.6522 | -0.32% | 0.6600 |
| USD/CHF | 0.8186 | 0.8203 | 0.8228 | -0.3% | 0.82 |
| USD/VND | 26026 | 26028 | 26013 | 0.06% | 25975 |
| JPY/THB | 22.59 | 22.58 | 22.54 | 0.16% | 24.07 |
| EUR/THB | 37.49 | 37.49 | 37.31 | 0.49% | 38.76 |
| GBP/THB | 44.21 | 44.21 | 44.08 | 0.3% | 45.50 |
| CNY/THB | 4.53 | 4.54 | 4.54 | -0.09% | 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

## Disclaimer

"This document is intended to provide material information relating to investment or product in discussion, presentation or seminar only. It does not represent or constitute an advice, offer, recommendation or solicitation by KBank and should not be relied on as such. In preparation of this document, KASIKORNBANK Public Company Limited ("KBank") has made assumptions on the financial and other information from public sources, and KBank makes no warranty of the accuracy and/or completeness of the information described herein.
In the case of derivative products, where the recipient of the information (the "Recipient") provides incomplete or inaccurate information to KBank, KBank may not be capable of delivering information relating to investment or derivative products in conformity with the genuine need of the Recipient. The Recipient also acknowledges and understands that the information provided by KBank does not indicate the expected profit, yield or positive return in the future. Furthermore the Recipient acknowledges that such investment involves a high degree of risk as the market conditions are unpredictable and there may be inadequate regulations and safeguards for the Recipient.
Before making your own independent decision to invest or enter into transaction, the Recipient must review information relating to services or products of KBank including economic and market situation and other factors pertaining to the transaction as posted in KBank's website at URL https://www.kasikornbank.com and/or in other websites including all other information, documents prepared by other institutions and consult with your financial, legal or tax advisors before making any investment decision. The Recipient understands and acknowledges that the investment or transaction hereunder is the low liquidity transaction and KBank shall not be responsible for any loss or damage arising from such investment or any transaction made by the Recipient. The Recipient including its employee, officer or other person who receives information from this document or its copy on the behalf of Recipient, represent and agree not to make any copy, reproduce or distribute any information hereunder whether in whole or in part to any other person and shall keep confidential of all information contained therein.The Recipient acknowledges that there may be conflict of interest under the KBank's services, whether directly or indirectly and should further consider the character, risk and investment return of each product by reading details from relevant documents provided by KBank and the Recipient shall review KBank Foreign Exchange Disclosure at ttps://www.kasikornbank.com/th/business/derivative-investments/Documents/KASIKORNBANK-Foreign-Exchange-Disclosure.pdf
Where there is any inquiry, the Recipient may seek further information from KBank or in case of making complaint, the Recipient can contact KBank at (662) 888-8822."