

KBank

Daily Update

13 June 2025

Middle East tension escalates as Israel launches strikes at Iran

Market summary: Dollar index fell and touching the lowest level in 3 years and Treasury yields fell amid weak US PPI and rising jobless claims. Middle East tensions escalate as Israel conducts strikes on Iran this morning, push up oil and gold prices. April's UK GDP contracted by the most since October 2023 and worse than forecast. ECB's Simkus said interest rate may have reached neutral and the ECB should consider a pause.

Factors to watch: US consumer confidence by U Mich (Fri)

USD/THB: Open 32.55, Support 32.30, Resistance 32.60

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Macro update

- **The U.S. dollar index fell -0.5% to 97.92, touching the lowest level in 3 years** and Treasury yields 2-year and 10-year fell -4bps and -6bps, respectively amid weak US economic data that fueling bets of the Fed to cut rates 2 times this year. Producer price index rose 0.1%MoM less than expected for 0.2%MoM, indicating no signs of price shock from Trump's tariffs as was shown by consumer price index released day earlier. Meanwhile, continuing jobless claims increased to 1,956k in the week end 31 May, the highest since end-2021 and higher than estimates. Initial jobless claims rose to 248k last week more than forecast for 242k.
- **President Trump continued his pressure on the Fed to cut rates** saying the Fed is moving too slow, though he did not plan to fire Fed Chair Jerome Powell. On trade front, Trump said he is considering tariffs on Auto to enhance production in US.
- **Middle East tension escalates as Israel conducts strikes on Iran this morning**, despite on going talks for Nuclear Deal between US and Iran, while Trump had earlier advised against such actions. Oil prices rose sharply with WTI gained more than 5% to above USD71 per barrel and Brent rose as much as 6% to above USD73 per barrel. Gold prices also surged above USD 3,400 per ounce and safe haven currencies such as yen strengthened to below 143 per US dollar this morning.
- **Pound closed gain 0.5% against US dollar at 1.3613, though intraday it fell to 1.3528** after April's UK GDP contracted -0.3%MoM, the most since October 2023 and worse than forecast for -0.1%MoM. Manufacturing and services were contracted more than expected, while constructions still expand. The data raise the case for the BoE to deliver 2 more cuts this year.
- **Euro closed gained 0.8% against US dollar at 1.1584, the strongest since 2021** amid weak US dollar and as ECB members continued to reiterate a pause in further rate cut for now. ECB's Simkus said interest rate may have reached neutral level and the ECB should consider a pause amid uncertainty regarding Trump's tariffs. He, however, said ECB may cut more this year amid risk that inflation fell below 2% target.
- **Thai baht closed gain 0.5% against US dollar at 32.463 and open stronger this morning** amid weak US dollar and rising gold prices.

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
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 13-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.14	32.24	32.54
EUR/THB	36.94	36.99	37.74
GBP/THB	43.36	43.43	44.35
JPY/THB	0.222	0.223	0.231

KBank SWAP Point Rates:

Premium/Discount (1M) as of 13-Jun-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	12-Jun-25	11-Jun-25	Change
Dow Jones	42,967.62	42,865.77	0.2%
S&P 500	6,045.26	6,022.24	0.4%
Treasury Yield 2yr note (%)	3.91	3.95	-4 bps
Treasury Yield 10yr note (%)	4.36	4.42	-6 bps
European Markets	12-Jun-25	11-Jun-25	Change
Germany (DAX)	23,771	23,949	-0.7%
France (CAC 40)	7,765	7,776	-0.1%
UK (FTSE 100)	8,885	8,864	0.2%
Bund Yield 2yr note (%)	1.82	1.85	-3 bps
Bund Yield 10yr note (%)	2.48	2.54	-6 bps
Thai Markets	12-Jun-25	11-Jun-25	Change
SET	1,128.62	1,141.58	-1.1%
TGB Yield 2yr note (%)	1.50	1.51	-1 bps
TGB Yield 5yr note (%)	1.52	1.53	-1 bps
TGB Yield 10yr note (%)	1.69	1.70	-1 bps

Money Markets

THOR	12-Jun-25	11-Jun-25
O/N	1.74449	1.74642
1M	1.74520	1.74508
3M	1.88107	1.88380
6M	2.04953	2.05229
BIBOR	12-Jun-25	11-Jun-25
1M	1.79593	1.79589
3M	1.89327	1.89324
6M	1.93487	1.93497

Foreign capital flows

	12-Jun-25	11-Jun-25
Thai Bonds (M THB)	-1,636	-1,928
Thai Stocks (M THB)	-731	-234

Commodities

	12-Jun-25	change
WTI Crude (USD/bbl)	68.0	-0.16%
Dubai Fateh (USD/bbl)	68.3	1.34%
Gold (USD/ounce)	3,383.9	1.61%

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		12-Jun-25	11-Jun-25			
USD/THB**	32.55	32.46	32.64	-0.54%		33.70
EUR/USD	1.155	1.158	1.149	0.75%		1.15
USD/JPY	143.01	143.61	144.62	-0.7%		140.0
GBP/USD	1.356	1.359	1.355	0.31%		1.35
USD/CNY	7.173	7.173	7.190	-0.24%		7.20
USD/SGD	1.282	1.279	1.284	-0.4%		1.29
USD/IDR	16,235	16,235	16,260	-0.15%		16,400
USD/MYR	4.240	4.222	4.237	-0.35%		4.22
USD/PHP	55.86	55.88	55.88	0%		55.50
USD/KRW	1,368	1,356	1,369	-0.93%		1,380
USD/NTD	29.52	29.64	29.91	-0.89%		30.20
AUD/USD	0.6464	0.6528	0.6522	0.09%		0.6600
USD/CHF	0.8077	0.8122	0.8205	-1.01%		0.82
USD/VND	26029	26031	26021	0.04%		25975
JPY/THB	22.76	22.60	22.57	0.16%		24.07
EUR/THB	37.58	37.58	37.50	0.21%		38.76
GBP/THB	44.14	44.12	44.22	-0.23%		45.50
CNY/THB	4.54	4.53	4.54	-0.29%		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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