

KBank

Daily Update

14 July 2025

Trump threaten 30% tariffs on EU, Mexico and South Africa

Market summary: Dollar index gained, and Treasury yields rose amid Trump's tariffs threat raise inflation fears with Trump threaten 30% tariffs on EU, Mexico and South Africa. ECB's Schnabel sees a very high bar for next rates cut. UK GDP contracted in May against expectations. Finance Minister Pichai may propose new BoT's governor name to the cabinet meeting on 15 July.

Factors to watch: China Exports (Mon) China 2Q GDP, US CPI (Tue) UK CPI, US PPI, BI meeting (Wed) Japan Exports, UK Unemployment rate, US Retail Sales and Industrial Production (Thu) Japan CPI, US UoM Consumer Sentiment (Fri)

USD/THB: Open 32.38, Support 32.25, Resistance 32.50

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Macro update

- **The U.S. dollar index closed 0.2% higher on Friday at 97.85** and Treasury yields rose with 10-year up 6bps and 2-year rose 1bps amid Trump's tariffs threat raise inflation fears. Trump announced 50% tariffs on copper, 35% on most Canadian goods and a baseline 15-20% tariffs on most trading partners, while on the weekend threaten 30% tariffs on EU, Mexico and South Africa on 1 August if better terms are not negotiated.
- Meanwhile, **the EU will extend the suspension of trade countermeasures against the US until 1 August to allow for further trade talks** which will continue this week. Key issues remain on tariffs on agricultural products and cars. At the same time, **the EU is preparing to step up its engagement with other countries hit by Trump's tariffs** such as Canada and Japan.
- On monetary policy, the **markets still expect 2 cuts from the Fed this year, but the first one may push back to October** from September as labor market remains firm and tariff still high uncertainty. **The markets will keep close eyes on US CPI this Tuesday with the core CPI is expected to accelerate for the first time since January** amid tariffs impact. Thursday's retail sales also of great importance to gauge consumer strength.
- **Euro fell -0.1% against US dollar to 1.1689.** ECB's Isabel Schnabel said there would only be a case for another rate cut if inflation deviates from the 2% target over the medium term. She sees interest rates are "in a good place," with disinflation proceeding broadly as expected and the economy proving resilient to uncertainty. Meanwhile, she sees the fear of the exchange rate appreciation putting downward pressure on underlying inflation is exaggerated. **Markets see lower chance of one more cut from the ECB this year.**
- **Pound fell -0.6% against US dollar to 1.3493.** UK GDP contracted -0.1%MoM in May against expectations for a rebound to 0.1%MoM. It contracted -0.3%MoM in April. This was amid Trump's tariffs and government's tax policies. **Markets expect 2 more cuts from BoE this year as soon as upcoming meeting on 7 August.**

- **Japanese yen falls -0.8% against US dollar to 147.43, the weakest since mid-May. Yen falls by 2% last week, the most weekly lost this year** amid fears of the upper house elections on 20 July may result in the ruling LDP-Komeito government coalition losing its majority. This may pressure Prime Minister Ishiba to step down and led to political uncertainty. Also, may led to higher government spending.
- **Thai baht closed 0.6% stronger against US dollar at 32.505** with inflows into both stock and bond markets on Friday. **Finance Minister Pichai Chunhavajira may propose new BoT's governor name to the cabinet meeting on 15 July.** The two candidates vying to lead the central bank are Roong Mallikamas, deputy governor for financial institutions stability at the central bank, and Vitai Ratanakorn, president of the Government Savings Bank.

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

Yours Sincerely,
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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 14-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.16	32.26	32.56
EUR/THB	37.45	37.49	38.25
GBP/THB	43.20	43.27	44.18
JPY/THB	0.216	0.217	0.225

KBank SWAP Point Rates:

Premium/Discount (1M) as of 14-Jul-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets				Money Markets			
	11-Jul-25	10-Jul-25	Change		11-Jul-25	9-Jul-25	
Dow Jones	44,371.51	44,650.64	-0.6% ↓	THOR			
S&P 500	6,259.75	6,280.46	-0.3% ↓	O/N	1.74553	1.74525	→
Treasury Yield 2yr note (%)	3.89	3.87	1 bps ↑	1M	1.74511	1.74507	→
Treasury Yield 10yr note (%)	4.41	4.35	6 bps ↑	3M	1.79996	1.80542	↓
				6M	1.96907	1.97301	→
European Markets				BIBOR	11-Jul-25	9-Jul-25	
Germany (DAX)	24,255	24,457	-0.8% ↓	1M	1.79205	1.79202	→
France (CAC 40)	7,829	7,902	-0.9% ↓	3M	1.88680	1.88666	→
UK (FTSE 100)	8,941	8,976	-0.4% ↓	6M	1.91864	1.92106	→
Bund Yield 2yr note (%)	1.90	1.89	1 bps ↑				
Bund Yield 10yr note (%)	2.73	2.71	2 bps ↑				
Thai Markets				Foreign capital flows	11-Jul-25	9-Jul-25	
SET	1,121.13	1,110.40	1% ↑	Thai Bonds (M THB)	-2,563	1,452	↓
TGB Yield 2yr note (%)	1.37	1.36	1 bps ↑	Thai Stocks (M THB)	2,187	7	↑
TGB Yield 5yr note (%)	1.41	1.40	1 bps ↑				
TGB Yield 10yr note (%)	1.55	1.54	1 bps ↑				
				Commodities	11-Jul-25	change	
				WTI Crude (USD/bbl)	68.5	2.82%	↑
				Dubai Fateh (USD/bbl)	69.4	-0.89%	↓
				Gold (USD/ounce)	3,353.9	1.17%	↑

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		11-Jul-25	10-Jul-25			
USD/THB**	32.38	32.51	32.70	-0.59%	↓	33.70
EUR/USD	1.170	1.169	1.169	0.05%	↑	1.17
USD/JPY	146.89	147.37	146.47	0.61%	↑	140.0
GBP/USD	1.350	1.351	1.356	-0.42%	↓	1.36
USD/CNY	7.170	7.170	7.178	-0.11%	↓	7.15
USD/SGD	1.280	1.280	1.281	-0.02%	↓	1.28
USD/IDR	16,211	16,211	16,220	-0.06%	↓	16,200
USD/MYR	4.249	4.254	4.249	0.1%	↑	4.26
USD/PHP	56.59	56.48	56.46	0.04%	↑	56.00
USD/KRW	1,377	1,377	1,373	0.3%	↑	1,350
USD/NTD	29.23	29.20	29.24	-0.14%	↓	29.35
AUD/USD	0.6577	0.6579	0.6573	0.09%	↑	0.6700
USD/CHF	0.7958	0.7962	0.7977	-0.19%	↓	0.81
USD/VND	26102	26109	26115	-0.02%	↓	26200
JPY/THB	22.04	22.06	22.32	-1.2%	↓	24.07
EUR/THB	37.86	38.00	38.21	-0.54%	↓	39.43
GBP/THB	43.71	43.90	44.35	-1.01%	↓	45.83
CNY/THB	4.52	4.53	4.56	-0.48%	↓	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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