

# KBank

## Daily Update

14 January 2026

### Thai baht weakened notably as BoT signal room to cut

**Market summary:** US dollar close strong and Treasury yields were largely unchanged as US core CPI came in slightly below expectations. Market continues to expect 2 cuts from the Fed this year. Yen fell to the lowest since July 2024 and Japanese bond yields rose as PM Sanae prepared to announce a dissolution of the lower house. World Bank raised its global GDP growth forecast for 2026 to 2.6%. Baht fell notably as BoT governor signal room to cut.

**Factors to watch:** US CPI and ADP weekly employment (Tue), US PPI and retail sales (Wed). UK GDP, BOK meeting (Thu), German CPI (Fri)

**USD/THB:** Open 31.48, Support 31.40 Resistance 31.65

**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 US dollar closed about 0.3% stronger, reclaiming levels above 99**, while Treasury yields were largely unchanged. **US core inflation for December rose 0.2%MoM, below market expectations** of 0.3%MoM. On a year-on-year basis, **core inflation remained at 2.6%YoY, the lowest level in four years, unchanged from the previous month** and below expectations of 2.7% YoY. The softer reading was driven by flat prices in core goods, suggesting that the impact of import tariff increases may have already peaked. Although shelter inflation rose 0.4% MoM, it was still lower than in prior periods. Headline inflation increased 0.3% MoM, in line with expectations, and held steady at 2.7% YoY, consistent with both forecasts and the previous month, reinforcing the view that inflation remains on a downward trend. Markets continue to expect the Federal Reserve to cut interest rates around two times this year, starting in mid-year.
- That said, investors remain focused on the investigation into Fed Chair Jerome Powell, as well as a potential U.S. Supreme Court ruling later today on whether President Trump's broad-based tariff increases are legally valid.
- **The Japanese yen weakened more than -0.6% against the US dollar, breaking above 159 yen per dollar, its weakest level since July 2024.** The move comes as **Prime Minister Sanae prepares to dissolve parliament on January 23 to call a snap election.** Meanwhile, **Japanese government bond yields for the 10-year and 30-year maturities rose by around 8 bps**, driven by fiscal concerns and rising inflation expectations. **The yen continued to weaken despite verbal intervention from Finance Minister Katayama, who expressed concern over the currency's depreciation** during talks with U.S. Treasury Secretary Scott Bessent, who shared similar concerns. The 160 level is widely viewed by markets as a key threshold at which Japan's Ministry of Finance may intervene.
- Separately, **the World Bank raised its global GDP growth forecast for 2026 to 2.6%**, up from 2.4% projected in June. **The upward revision was driven mainly by a stronger outlook for the U.S. economy, with growth revised up to 2.2%** from 1.6% previously. The World Bank noted that the global economy has proven more resilient to trade policy pressures than initially expected, although risks remain skewed to the downside, particularly if trade tensions intensify.

- **Crude oil prices continued to rise, reaching their highest levels in nearly two months amid escalating risks in the Middle East.** Brent crude climbed 2.5% to USD 65.47 per barrel, while West Texas Intermediate (WTI) gained around 2.8% to USD 61.15 per barrel. The move followed comments from **President Trump encouraging Iranian citizens to continue protesting**, heightening market concerns over potential disruptions to Iranian oil supply, as Iran is the fourth-largest producer in OPEC, as well as the possibility of U.S. intervention in Iran. Meanwhile, **gold prices surged this morning, breaking above USD 4,600 per ounce.**
- **The Thai baht weakened nearly 0.8% against the U.S. dollar, closing near 31.50, marking its largest daily depreciation in the past two weeks.** BoT Governor stated that there remains room for further interest rate cuts if necessary and reiterated a preference for a weaker baht in line with economic fundamentals. However, he noted that inflation would rise only marginally—by around 0.1%—even if policy rates were cut by another 50 bps and emphasized that monetary policy cannot address structural economic problems.
- In addition, the BoT is seeking to revise regulations governing gold trading in Thai baht via online platforms for retail investors, as well as to strengthen its authority to monitor speculative behavior and illegal capital flows, with the aim of mitigating excessive volatility in the baht.

## KBank Counter rates:

as of 14-Jan-26 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	31.29	31.39	31.69
EUR/THB	36.25	36.29	37.05
GBP/THB	41.78	41.86	42.75
JPY/THB	0.194	0.194	0.202

## KBank SWAP Point Rates:

Premium/Discount (1M) as of 14-Jan-26
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

## Market Summary:

US Markets	13-Jan-26	12-Jan-26	Change
Dow Jones	49,191.99	49,590.20	-0.8% ↓
S&P 500	6,963.74	6,977.27	-0.2% ↓
Treasury Yield 2yr note (%)	3.53	3.53	0 bps →
Treasury Yield 10yr note (%)	4.18	4.18	0 bps →

European Markets	13-Jan-26	12-Jan-26	Change
Germany (DAX)	25,421	25,405	0.1% ↑
France (CAC 40)	8,347	8,359	-0.1% ↓
UK (FTSE 100)	10,137	10,141	0% →
Bund Yield 2yr note (%)	2.09	2.10	0 bps →
Bund Yield 10yr note (%)	2.85	2.84	1 bps ↑

Thai Markets	13-Jan-26	12-Jan-26	Change
SET	1,235.30	1,242.20	-0.6% ↓
TGB Yield 2yr note (%)	1.19	1.19	0 bps →
TGB Yield 5yr note (%)	1.37	1.37	-1 bps ↓
TGB Yield 10yr note (%)	1.83	1.84	-1 bps ↓

Money Markets	13-Jan-26	12-Jan-26
THOR		
O/N	1.24243	1.24384 →
1M	1.28334	1.28457 →
3M	1.42508	1.42696 →
6M	1.50808	1.50946 →
BIBOR		
1M	1.30000	1.30000 →
3M	1.39289	1.39298 →
6M	1.43018	1.42988 →

Foreign capital flows	13-Jan-26	12-Jan-26
Thai Bonds (M THB)	-1,707	509 ↓
Thai Stocks (M THB)	-566	-226 ↓

Commodities	13-Jan-26	change
WTI Crude (USD/bbl)	61.2	2.77% ↑
Dubai Fateh (USD/bbl)	65.2	3.1% ↑
Gold (USD/ounce)	4,586.5	-0.24% ↓

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		13-Jan-26	12-Jan-26			
USD/THB**	31.48	31.47	31.24	0.75%	↑	32.80
EUR/USD	1.164	1.164	1.167	-0.21%	↓	1.17
USD/JPY	159.44	159.14	158.14	0.63%	↑	150.0
GBP/USD	1.342	1.342	1.347	-0.32%	↓	1.33
USD/CNY	6.978	6.978	6.973	0.07%	↑	7.10
USD/SGD	1.290	1.289	1.286	0.23%	↑	1.29
USD/IDR	16,865	16,865	16,833	0.19%	↑	16,600
USD/MYR	4.061	4.058	4.064	-0.15%	↓	4.18
USD/PHP	59.42	59.35	59.26	0.14%	↑	58.50
USD/KRW	1,477	1,476	1,468	0.51%	↑	1,410
USD/NTD	31.70	31.65	31.64	0.04%	↑	30.50
AUD/USD	0.6678	0.6682	0.6711	-0.43%	↓	0.6600
USD/CHF	0.8016	0.8011	0.7974	0.46%	↑	0.80
USD/VND	26287	26281	26272	0.03%	↑	26400
JPY/THB	19.74	19.78	19.75	0.12%	↑	21.87
EUR/THB	36.64	36.64	36.44	0.54%	↑	38.38
GBP/THB	42.25	42.24	42.06	0.43%	↑	43.62
CNY/THB	4.51	4.51	4.48	0.69%	↑	4.62

\*\*\*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

## ✦ Preparation for Transition from Fallback Rate (THBFIX) to THOR

The Bank of Thailand (BOT) will **discontinue the publication of the Fallback Rate (THBFIX)**, along with its calculation components, including the USDTHB spot rate and forward points, effective from the **end of 2025**.

### Transition Timeline

1-Jul-23	THBFIX cessation > Fallback Rate (THBFIX) provided as the Fallback Rate
Until 30-Dec-25	Fallback Rate (THBFIX) Publication
<b>2026 onwards</b>	<b>Fallback Rate (THBFIX) Discontinuation</b> <b>THOR becomes Fallback Rate</b>

### Key last publication dates for Fallback Rate (THBFIX)

The Last publication date of Fallback Rate (THBFIX) is expected to be 30-Dec-2025 and the corresponding Original THBFIX Rate Record Day expected to be as follows;

	1-month	3-month	6-month
<b>Original THBFIX RATE Record Day</b> (Subject to change due to an announcement of Bangkok holidays)	3 Dec 2025	2 Oct 2025	3 Jul 2025

### What Client should prepare

- Review all relevant contract referencing Fallback Rate (THBFIX)
- Assess impact on valuation, risk management, and accounting
- Engage related counterparties to ensure smooth transition
- Align internal systems and processes with the THOR benchmark

For further information, please follow BOT website link;

<https://www.bot.or.th/en/our-roles/financial-markets/Financial-Market-Development-and-Standards/Reference-Rates/Fallback-Rate-THBFIX.html>

Source: bot.or.th

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