

KBank

Daily Update

17 July 2025

US Dollar swing, while Trump denied plan to fire Powell

Market summary: The US Dollar Index fluctuated sharply before closing down by 0.23%, following reports that Trump plans to fire Jerome Powell. However, Trump quickly denied the report. US industrial production in June rose higher than the forecast while the PPI for June was lower than the forecast. The British pound strengthened against the US dollar after UK inflation in June rose to the highest since January 2024 and above both forecasts. Bank Indonesia cut its policy rate by 25bps to 5.25%, surprising markets.

Factors to watch: UK Unemployment rate, US Retail Sales and Industrial Production (Thu) Japan CPI, US UoM Consumer Sentiment (Fri)

USD/THB: Open 32.48, Support 32.35, Resistance 32.65

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Macro update

- **The US Dollar Index fluctuated sharply before closing down by 0.23%**, following reports that Trump plans to fire Jerome Powell from his position as Fed Chair and has consulted Republican Party members on whether it's possible. However, Trump quickly denied the report. During the day, **the dollar initially strengthened on the back of strong US economic data, reaching an intraday high of 98.9, before being sold off sharply and falling to an intraday low of 97.7. It then rebounded to close at 98.3.**
- In terms of US economic data, **industrial production in June rose 0.3%MoM, higher than the forecast** of 0.1%MoM and up from 0.0%MoM previously. Meanwhile, **the PPI for June increased 2.3%YoY, lower than the forecast** of 2.5%YoY and down from 2.7%YoY in the previous month. This helped ease some inflation concerns that had arisen due to potential import tariffs.
- **The British pound strengthened against the US dollar after UK inflation in June rose 3.6%YoY, the highest since January 2024 and above both forecasts** and the previous month's reading of 3.4%YoY. The rise was mainly driven by food and energy prices. Core inflation also accelerated to 3.7%YoY, exceeding both forecasts and the previous month's figure of 3.5%YoY. Earlier, the government had warned of an upcoming employment tax hike, which has put pressure on hiring and raised product prices. Markets slightly reduced their expectations for a BoE rate cut, now projecting two cuts for this year.
- **The EU's EUR 2 trillion budget plan for 2028–2034 has yet to be approved after Germany opposed it due to excessive spending**, compared to the EUR 1.2 trillion budget for 2021–2027. In addition, a new round of EU sanctions on Russia was vetoed by Slovakia, citing the disproportionate budget burden relative to its GDP. France and Italy have also opted out of the latest deal to purchase US weapons for Ukraine.
- **Israel launched an airstrike on Syria**, with reports of three fatalities and 34 injuries. The primary targets were the Ministry of Defence building and areas near the Syrian presidential palace in Damascus.

- **Bank Indonesia cut its policy rate by 25bps to 5.25%, surprising markets that had expected a hold at 5.50%.** The central bank judged that the Indonesian economy requires additional support and indicated further rate cuts are likely. Core inflation was also lower than expected. Despite expectations that the economy will improve in the second half of the year, Indonesia just reached a trade tariff agreement with the US, under which the US will impose a 19% import tariff on Indonesian goods, while Indonesia will impose a 0% tariff on US products.
- **The Thai baht closed weaker by 0.39% against the US dollar,** despite modest capital inflows into both Thai equities and bond markets. Dr. Roong Mallikamas, Deputy Governor of the Bank of Thailand, said the central bank may need to consider measures to mitigate the impact of gold trading on the baht’s value.

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 17-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.29	32.39	32.69
EUR/THB	37.36	37.40	38.16
GBP/THB	43.06	43.13	44.02
JPY/THB	0.215	0.216	0.224

KBank SWAP Point Rates:

Premium/Discount (1M) as of 17-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	16-Jul-25	15-Jul-25	Change
Dow Jones	44,254.78	44,023.29	0.5%
S&P 500	6,263.70	6,243.76	0.3%
Treasury Yield 2yr note (%)	3.89	3.94	-5 bps
Treasury Yield 10yr note (%)	4.46	4.48	-3 bps

European Markets	16-Jul-25	15-Jul-25	Change
Germany (DAX)	24,009	24,060	-0.2%
France (CAC 40)	7,722	7,766	-0.6%
UK (FTSE 100)	8,927	8,938	-0.1%
Bund Yield 2yr note (%)	1.86	1.89	-3 bps
Bund Yield 10yr note (%)	2.69	2.71	-3 bps

Thai Markets	16-Jul-25	15-Jul-25	Change
SET	1,157.63	1,161.01	-0.3%
TGB Yield 2yr note (%)	1.37	1.37	0 bps
TGB Yield 5yr note (%)	1.39	1.40	-1 bps
TGB Yield 10yr note (%)	1.53	1.53	0 bps

Money Markets	16-Jul-25	15-Jul-25
THOR	1.74595	1.74505
O/N	1.74512	1.74532
1M	1.78632	1.79801
3M	1.95349	1.95628
6M	1.79184	1.79228
BIBOR	1.88677	1.88712
3M	1.91797	1.91852
6M		

Foreign capital flows	16-Jul-25	15-Jul-25
Thai Bonds (M THB)	-2,563	-1,364
Thai Stocks (M THB)	476	-593

Commodities	16-Jul-25	change
WTI Crude (USD/bbl)	66.4	-0.21%
Dubai Fateh (USD/bbl)	68.5	-0.1%
Gold (USD/ounce)	3,347.1	0.68%

FX Markets	Morning Spot	Closing rates		Daily %Change	Consensus End-2025
		16-Jul-25	15-Jul-25		
USD/THB**	32.48	32.53	32.41	0.39%	33.70
EUR/USD	1.162	1.164	1.160	0.34%	1.17
USD/JPY	148.43	147.88	148.88	-0.67%	140.0
GBP/USD	1.340	1.342	1.338	0.28%	1.37
USD/CNY	7.179	7.179	7.183	-0.06%	7.15
USD/SGD	1.285	1.283	1.285	-0.21%	1.28
USD/IDR	16,278	16,278	16,260	0.11%	16,190
USD/MYR	4.250	4.246	4.242	0.11%	4.20
USD/PHP	57.06	57.08	56.72	0.64%	56.00
USD/KRW	1,391	1,390	1,388	0.16%	1,350
USD/NTD	29.44	29.41	29.28	0.43%	29.30
AUD/USD	0.6513	0.6528	0.6514	0.21%	0.6700
USD/CHF	0.8023	0.8008	0.8017	-0.11%	0.81
USD/VND	26155	26158	26135	0.09%	26200
JPY/THB	21.88	22.00	21.77	1.06%	24.07
EUR/THB	37.75	37.87	37.60	0.73%	39.43
GBP/THB	43.52	43.67	43.37	0.67%	46.17
CNY/THB	4.52	4.53	4.51	0.44%	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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