

KBank

Daily Update

18 June 2025

Markets await Fed decision while Middle East tension continue

Market summary: Dollar index gain for a third day and Treasury yields fell amid high tension between Israel and Iran with risk that US may join the war. US econ data were weak including retail sales, industrial production and US home sentiment. Germany ZEW survey expectations surged above estimates. BoJ held key rate steady as expected and slow bond tapering pace. Japan May's exports contracted for the first time in 8 months. Oil prices surged by more than 4% to the highest level since January.

Factors to watch: UK CPI, Thai Exports (Wed) Fed Meeting, BoE meeting (Thu) Japan inflation, China loan prime rates, UK retail sales (Fri)

USD/THB: Open 32.58, Support 32.50, Resistance 32.75

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Macro update

- **The U.S. dollar index closed gain for a third day by 0.8% to 98.82** and Treasury yields fell amid high tension between Israel and Iran with risk that US may join the war as Trump discuss escalating Middle East conflict with his national security team. Meanwhile, **Trump posted a demand for Iran's "unconditional surrender."**
- **US economy data came out weak with retail sales fell -0.9%MoM worse than expected** for -0.6%MoM amid fall in auto sales after rush in buying before Trump's tariffs. However, excludes auto dealers, building materials stores and gasoline or control group sales, it rose 0.4%MoM better than expected at 0.3%MoM. **Industrial production fell -0.2%MoM worse than expected** for unchanged, while **home builder sentiment fell to 32 the lowest since end -2022 against expectation** for a rise to 36. All in, **markets anticipate at least one cut from the Fed this year.**
- **Euro fell -0.7% against US dollar** despite **Germany ZEW survey expectations index rose to 47.5 in June above median estimate** of 35.0 from 25.2 prior month as fiscal boost, defense and infrastructure spending, outweighs risk from US trade policies.
- **Yen fell -0.4% against US dollar above 145** while 10-year JGBs surged 3bps to 1.46%. **BoJ unanimously held key rate steady at 0.5% while voted 8-1 to slow bond tapering pace from JPY 400 billion per quarter to JPY 200 billion per quarter** from April 2026. BoJ sees uncertainty is extremely high for economy and prices. **BoJ's Ueda said the slower tapering pace is for market stability, while chance of rate hike depend on assessment of data** which he can't comment on possibility in the near term. **Ueda also said that Japan's price trend is still slightly below 2% target** and that trade policy impact may get larger in the second half of the year. **Markets see less chance of one more BoJ rate hike this year.**
- **Japan May's exports contracted for the first time in 8 months at -1.7%YoY though better than expected** at -3.7%YoY from 2.0%YoY prior amid US tariffs uncertainty. **Imports fell -7.7%YoY worse than estimates** at -5.9%YoY. Weak exports add risk that Japan may fell into technical recession in second quarter.
- **Oil prices surged by more than 4% to the highest level since January** amid ongoing Middle East tensions with Brent at USD 76.45 per barrel.

- **The Thai baht fell -0.3% to 32.573 per US dollar** amid continued outflows from both stock and bond market yesterday. Thai **Finance Ministry has asked the BoT to improve its works including making the baht more competitive** as well as bringing subdued **inflation back to the official target of 1%-3%**.

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 18-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.37	32.47	32.77
EUR/THB	37.03	37.09	37.84
GBP/THB	43.25	43.33	44.24
JPY/THB	0.220	0.221	0.229

KBank SWAP Point Rates:

Premium/Discount (1M) as of 18-Jun-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	17-Jun-25	16-Jun-25	Change
Dow Jones	42,215.80	42,515.09	-0.7% ↓
S&P 500	5,982.72	6,033.11	-0.8% ↓
Treasury Yield 2yr note (%)	3.95	3.97	-1 bps ↓
Treasury Yield 10yr note (%)	4.39	4.45	-6 bps ↓

European Markets	17-Jun-25	16-Jun-25	Change
Germany (DAX)	23,435	23,699	-1.1% ↓
France (CAC 40)	7,684	7,742	-0.8% ↓
UK (FTSE 100)	8,834	8,875	-0.5% ↓
Bund Yield 2yr note (%)	1.87	1.84	3 bps ↑
Bund Yield 10yr note (%)	2.54	2.53	1 bps ↑

Thai Markets	17-Jun-25	16-Jun-25	Change
SET	1,113.58	1,114.49	-0.1% ↓
TGB Yield 2yr note (%)	1.50	1.51	-1 bps ↓
TGB Yield 5yr note (%)	1.53	1.55	-2 bps ↓
TGB Yield 10yr note (%)	1.70	1.71	-1 bps ↓

Money Markets	17-Jun-25	16-Jun-25
THOR	17-Jun-25	16-Jun-25
O/N	1.74535	1.74191 →
1M	1.74547	1.74550 →
3M	1.86736	1.87303 ↓
6M	2.03567	2.03845 →
BIBOR	17-Jun-25	16-Jun-25
1M	1.79491	1.79476 →
3M	1.89187	1.89190 →
6M	1.93428	1.93418 →

Foreign capital flows	17-Jun-25	16-Jun-25
Thai Bonds (M THB)	-3,865	-679 ↓
Thai Stocks (M THB)	-608	-3,530 ↑

Commodities	17-Jun-25	change
WTI Crude (USD/bbl)	74.8	4.28% ↑
Dubai Fateh (USD/bbl)	72.8	0.07% ↑
Gold (USD/ounce)	3,382.9	-0.49% ↓

FX Markets	Morning Spot	Closing rates		Daily % Change	Consensus End-2025
		17-Jun-25	16-Jun-25		
USD/THB**	32.58	32.58	32.44	0.44% ↑	33.70
EUR/USD	1.150	1.150	1.158	-0.7% ↓	1.15
USD/JPY	145.07	145.22	144.17	0.73% ↑	140.0
GBP/USD	1.344	1.347	1.361	-1.01% ↓	1.36
USD/CNY	7.186	7.187	7.180	0.09% ↑	7.20
USD/SGD	1.285	1.285	1.279	0.46% ↑	1.29
USD/IDR	16,314	16,280	16,265	0.09% ↑	16,350
USD/MYR	4.249	4.244	4.242	0.05% ↑	4.24
USD/PHP	56.81	56.69	56.42	0.48% ↑	55.50
USD/KRW	1,372	1,373	1,359	1.02% ↑	1,380
USD/NTD	29.53	29.52	29.51	0.05% ↑	30.20
AUD/USD	0.6491	0.6494	0.6546	-0.79% ↓	0.6600
USD/CHF	0.8164	0.8152	0.8117	0.43% ↑	0.82
USD/VND	26087	26067	26077	-0.04% ↓	25975
JPY/THB	22.46	22.44	22.50	-0.28% ↓	24.07
EUR/THB	37.47	37.48	37.58	-0.26% ↓	38.76
GBP/THB	43.79	43.90	44.15	-0.57% ↓	45.83
CNY/THB	4.53	4.53	4.52	0.35% ↑	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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