

KBank

Daily Update

19 June 2025

Fed held rate as expected, still see 2 cuts this year

Market summary: Dollar index closed steady, while Treasury yields roughly unchanged as Fed hold rate as expected but Powell flagged inflation risks from Trump's tariffs. Trump declined to say whether the US plans to join Israel's offensive. UK inflation in May at 3.4%YoY higher than 3.3%YoY expected. Thailand's exports in May surged 18.4%YoY, the most since March 2022.

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

USD/THB: Open 32.67, Support 32.60, Resistance 32.85

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Macro update

- **The U.S. dollar index closed steady near 99**, while Treasury yields roughly unchanged though move lower 4-5bps after **Fed meeting came out as expected but Fed Chair Powell warned inflation risk from Trump's tariffs** and high uncertainty that's still there. Initial jobless claims fell to 245k last week as expected, while housing starts and building permits fell more than expected. **On Israel-Iran, Trump declined to say whether the US plans to join Israel's offensive**, while saying Iran has missed opportunity to reach nuclear deal.
- **Fed held rate at 4.25-4.50% as expected**, while **lower this year GDP forecast to 1.4%** from 1.7% in March and **raise PCE inflation to 3.0%** from 2.7% as well as **year-end unemployment rate to 4.5%** from 4.4% prior. **Dot plot still indicated 2 cuts this year** with 10 officials seeing at least 2 cuts but 7 officials see no cut, up from 4 officials. 2 officials see 1 cut. **For 2026-2027, the Fed see only 1 cut each.** **Powell said he wanted to see tariffs impact before make policy decisions** and that the Fed can wait, adding that **tariffs will eventually pass through to consumer, but it will take time** and impact may be persistent. **Markets still see roughly 2 cuts this year.**
- **Swedish Krone fell -0.9% against US dollar.** Riksbank reduced rate by 25bps to 2.00% as expected and signal another cut likely this year amid slower than expected economic recovery.
- **Bank of Indonesia kept rate unchanged at 5.50% as expected** and seeing economy will improve in second half this year. BI maintain this year GDP forecast at 4.6-5.4%.
- **Pound closed steady despite gained 0.3% against US dollar intra-day** after **UK inflation in May at 3.4%YoY higher than 3.3%YoY expected** though slower from 3.5%YoY prior month amid rising food prices. **Core inflation slowed to 3.5% as expected** and **services prices dropped to 4.7%YoY below 4.8%YoY estimates.** All in, **BoE is likely to stand pat at today's meeting** with market sees 2 more cuts this year.

- **The Thai baht closed slightly weaker at 32.61 per US dollar** with continued outflows from stock and slight inflows into bond market amid political uncertainty.
- **Thailand’s exports in May surged 18.4%YoY, the most since March 2022** as companies rushed to stockpile goods ahead of potential tariffs. Exports to the US surged 35.1%YoY and China 28.0%YoY. **Imports rose 18.0%YoY; hence Thailand reported a trade surplus of USD1.1trn.**

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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 19-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.52	32.62	32.92
EUR/THB	37.14	37.19	37.94
GBP/THB	43.40	43.47	44.36
JPY/THB	0.222	0.223	0.230

KBANK SWAP Point Rates:

Premium/Discount (1M) as of 19-Jun-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	18-Jun-25	17-Jun-25	Change
Dow Jones	42,171.66	42,215.80	-0.1% ↓
S&P 500	5,980.87	5,982.72	0% ↓
Treasury Yield 2yr note (%)	3.94	3.95	-1 bps ↓
Treasury Yield 10yr note (%)	4.39	4.39	0 bps →

European Markets	18-Jun-25	17-Jun-25	Change
Germany (DAX)	23,318	23,435	-0.5% ↓
France (CAC 40)	7,656	7,684	-0.4% ↓
UK (FTSE 100)	8,843	8,834	0.1% ↑
Bund Yield 2yr note (%)	1.84	1.87	-3 bps ↓
Bund Yield 10yr note (%)	2.50	2.54	-4 bps ↓

Thai Markets	18-Jun-25	17-Jun-25	Change
SET	1,094.58	1,113.58	-1.7% ↓
TGB Yield 2yr note (%)	1.49	1.50	-1 bps ↓
TGB Yield 5yr note (%)	1.52	1.53	-1 bps ↓
TGB Yield 10yr note (%)	1.68	1.70	-1 bps ↓

Money Markets	18-Jun-25	17-Jun-25
THOR	1.74644	1.74535 →
O/N	1.74554	1.74547 →
1M	1.86466	1.86736 →
3M	2.03291	2.03567 →
6M	1.79490	1.79491 →
BIBOR	1.89169	1.89187 →
3M	1.93378	1.93428 →
6M		

Foreign capital flows	18-Jun-25	17-Jun-25
Thai Bonds (M THB)	829	-3,865 ↑
Thai Stocks (M THB)	-1,140	-608 ↓

Commodities	18-Jun-25	change
WTI Crude (USD/bbl)	75.1	0.4% ↑
Dubai Fateh (USD/bbl)	74.2	2.01% ↑
Gold (USD/ounce)	3,369.4	-0.55% ↓

FX Markets	Morning Spot	Closing rates		Daily %Change		Consensus End-2025
		18-Jun-25	17-Jun-25			
USD/THB**	32.67	32.67	32.58	0.25%	↑	33.70
EUR/USD	1.148	1.148	1.148	0%	→	1.15
USD/JPY	144.89	145.13	145.29	-0.11%	↓	140.0
GBP/USD	1.342	1.342	1.343	-0.05%	↓	1.36
USD/CNY	7.190	7.190	7.187	0.04%	↑	7.20
USD/SGD	1.286	1.285	1.286	-0.11%	↓	1.29
USD/IDR	16,300	16,300	16,280	0.12%	↑	16,300
USD/MYR	4.250	4.252	4.244	0.17%	↑	4.24
USD/PHP	56.95	56.95	56.69	0.45%	↑	55.55
USD/KRW	1,376	1,373	1,373	0.03%	↑	1,380
USD/NTD	29.53	29.53	29.52	0.04%	↑	30.20
AUD/USD	0.6499	0.6509	0.6475	0.53%	↑	0.6600
USD/CHF	0.8190	0.8187	0.8163	0.29%	↑	0.82
USD/VND	26092	26097	26067	0.12%	↑	25975
JPY/THB	22.55	22.51	22.43	0.36%	↑	24.07
EUR/THB	37.50	37.50	37.41	0.25%	↑	38.76
GBP/THB	43.82	43.84	43.76	0.2%	↑	45.83
CNY/THB	4.54	4.54	4.53	0.21%	↑	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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