

KBank

Daily Update

20 June 2025

BOE hold rate as expected signalling downward path

Market summary: The US dollar index weakened slightly amid the US holiday, while Trump announced that he would consider whether to attack Iran within the next two weeks. The pound strengthened against the US dollar after the BOE kept interest rates at 4.25% as expected, with a 6-3 vote. The Swiss National Bank cut its policy rate by 25bps to 0% as expected, due to slowing inflation. The yen rebounds this morning after Japan's core inflation in May accelerated to 3.7%YoY, the highest in 28 months

Factors to watch: China loan prime rates, UK retail sales (Fri)

USD/THB: Open 32.81, Support 32.60, Resistance 32.85

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Macro update

- **The US dollar index weakened slightly** amid the US holiday, while **Trump announced that he would consider whether to attack Iran within the next two weeks**, amid ongoing tensions between Israel and Iran.
- **The pound strengthened against the US dollar** after the BOE kept interest rates at 4.25% as expected, with a 6-3 vote. Three members — Dhingra, Ramsden, and Taylor — voted for a 25bps rate cut. **BOE Governor Bailey stated that BOE rates remain on a downward path, but the process will be gradual and cautious**, and there will be no pre-set rate path in the near term. The market expects the BOE to cut rates two more times this year.
- **ECB members expressed concern over tensions in the Middle East, which could lead to stagflation.** Meanwhile, ECB President Lagarde said that increased trade could offset the damage.
- **The Swiss National Bank cut its policy rate by 25bps to 0% as expected, due to slowing inflation**, and left the door open to further policy measures, including the possibility of negative interest rates. The market sees a 50% chance of another SNB rate cut this year.
- **Norway's central bank cut interest rates by 25bps to 4.25%, contrary to expectations that rates would stay at 4.50%**, citing easing inflation, and signalled that more rate cuts could come this year.
- **The yen weakened against the US dollar yesterday before rebounding and strengthening this morning**, after Japan's core inflation in May accelerated to 3.7%YoY — the highest in 28 months and above the forecast of 3.6%YoY, up from 3.5%YoY in the previous month. In addition, the BOJ meeting minutes released this morning indicated that the BOJ would raise rates if the overall economic outlook meets its targets.
- **The Australian dollar weakened against the US dollar yesterday after May employment fell by 2,500, worse than the forecast of a 21,200 increase**, following a gain of 87,600 jobs in the previous month. Part-time employment also declined by 41,100, compared to a 29,000 increase the month before. Meanwhile, the unemployment rate held steady at 4.1% as expected.

- Among Asian central banks, the Philippine central bank cut its policy rate by 25bps to 5.25% as expected, while Taiwan’s central bank kept its rate unchanged at 2.0%, also in line with expectations.
- **The Thai baht weakened against the US dollar yesterday** amid capital inflows into the bond market and outflows from the stock market. The Thai stock market closed at its lowest level in five years since the COVID-19 crisis.

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 20-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.49	32.59	32.89
EUR/THB	37.26	37.31	38.07
GBP/THB	43.60	43.68	44.58
JPY/THB	0.221	0.222	0.230

KBank SWAP Point Rates:

Premium/Discount (1M) as of 20-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	19-Jun-25	18-Jun-25	Change
Germany (DAX)	23,057	23,318	-1.1% ↓
France (CAC 40)	7,553	7,656	-1.3% ↓
UK (FTSE 100)	8,792	8,843	-0.6% ↓
Bund Yield 2yr note (%)	1.84	1.84	0 bps →
Bund Yield 10yr note (%)	2.52	2.50	2 bps ↑

Thai Markets	19-Jun-25	18-Jun-25	Change
SET	1,068.73	1,094.58	-2.4% ↓
TGB Yield 2yr note (%)	1.47	1.49	-3 bps ↓
TGB Yield 5yr note (%)	1.49	1.52	-2 bps ↓
TGB Yield 10yr note (%)	1.67	1.68	-2 bps ↓

Money Markets	19-Jun-25	18-Jun-25
THOR	1.74581	1.74644 →
O/N	1.74541	1.74554 →
1M	1.86194	1.86466 →
3M	2.03014	2.03291 →
6M	1.79484	1.79490 →
BIBOR	1.89154	1.89169 →
1M	1.93348	1.93378 →
3M		
6M		

Foreign capital flows	19-Jun-25	18-Jun-25
Thai Bonds (M THB)	2,108	829 ↑
Thai Stocks (M THB)	-693	-1,140 ↑

Commodities	19-Jun-25	change
WTI Crude (USD/bbl)	75.1	0.4% ↑
Dubai Fateh (USD/bbl)	74.9	0.85% ↑
Gold (USD/ounce)	3,370.9	0.05% →

	Morning Spot	Closing rates		Daily %Change		Consensus End-2025
		19-Jun-25	18-Jun-25			
USD/THB**	32.81	32.76	32.67	0.3%	↑	33.70
EUR/USD	1.152	1.150	1.148	0.13%	↑	1.15
USD/JPY	145.24	145.45	145.13	0.22%	↑	140.0
GBP/USD	1.349	1.347	1.342	0.32%	↑	1.36
USD/CNY	7.188	7.188	7.190	-0.02%	↓	7.20
USD/SGD	1.284	1.287	1.285	0.16%	↑	1.29
USD/IDR	16,395	16,395	16,300	0.58%	↑	16,300
USD/MYR	4.251	4.260	4.252	0.21%	↑	4.24
USD/PHP	57.45	57.45	56.95	0.87%	↑	55.55
USD/KRW	1,370	1,380	1,373	0.51%	↑	1,380
USD/NTD	29.62	29.62	29.53	0.29%	↑	30.20
AUD/USD	0.6487	0.6482	0.6509	-0.41%	↓	0.6600
USD/CHF	0.8159	0.8168	0.8187	-0.23%	↓	0.82
USD/VND	26125	26127	26097	0.11%	↑	25975
JPY/THB	22.59	22.53	22.51	0.08%	↑	24.07
EUR/THB	37.81	37.66	37.50	0.43%	↑	38.76
GBP/THB	44.26	44.12	43.84	0.62%	↑	45.83
CNY/THB	4.57	4.56	4.54	0.32%	↑	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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