KBank

KBank Daily Update

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Trump called on Fed Governor Lisa Cook to resign

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Market summary: US dollar closed steady, while bond yields edged slightly lower. Trump called on Fed Governor Lisa Cook to resign following allegations of mortgage fraud. Fed minutes showed most participants judged that high inflation is the greater concern than weakening labor market. UK inflation accelerated more than expected. RBNZ cut rate -25bps to 3.00% as widely expected and see scope to lower further. BI cut rate -25bps to 5.00% against expectations for a hold. BoT Deputy Governor Piti said BoT doesn't have much room for further rate cut.

Factors to watch: US Existing Home Sales (Thu), Japan CPI (Fri)

USD/THB: Open 32.57, Support 32.45, Resistance 32.70

Macro update

- **The US dollar closed steady, while bond yields edged slightly lower.** The dollar weakened after **Trump called on Fed Governor Lisa Cook to resign following allegations of mortgage fraud.** Bill Pulte, Director of the Federal Housing Finance Agency, called for an investigation into Cook's mortgage dealings, accusing her of falsifying bank documents and property records to obtain more favorable loan terms — potentially constituting mortgage fraud under criminal law. **Cook, however, stated she would not be bullied into resigning** and is prepared to answer questions and provide information.

- **Meanwhile, Fed minutes from the late July meeting showed most participants judged that high inflation is the greater concern than a weakening labor market and it was too early to cut interest rates.** There remains significant uncertainty over the extent to which tariffs will impact inflation. Several members noted that inflation had remained above the 2% target for a prolonged period, increasing the risk that inflation expectations could become unanchored, especially if tariff effects persist. **That said, the meeting took place before the latest jobs report, which came in much worse than expected. At the same time, inflation has yet to show a significant impact from the tariffs, raising the likelihood of a rate cut** and shifting market focus to Fed Chair Powell's speech this Friday, where he is expected to strike a more dovish tone, potentially opening the door to a rate cut in September.

- **Euro closed steady against US dollar.** ECB's **Lagarde said the eurozone economy is likely to see slower growth this quarter** with some trade uncertainty lingering, especially regrading sector-specific tariffs on pharmaceuticals and semiconductions that remains unclear. **ECB staff will factor the implications of the US-EU trade deal for the eurozone economy into the upcoming September projections** which will guide their decisions.

- **Pound fell -0.3% against US dollar** despite **UK inflation accelerated for a second month to 3.8%YoY in July higher than 3.7%YoY expected** from 3.6%YoY prior month, driven by air fares, hotels and motor fuel. **Services inflation rose to 5.0%YoY above consensus** for 4.8%YoY and BoE forecast for 4.9%YoY. **Markets trim bet for BoE rate cut this year further.**

- **New Zealand dollar fell as much as -1.3% against US dollar to the lowest level since April at 0.5821, which in turn pressured the Australian dollar down by -0.3%. RBNZ cut rate -25bps to 3.00% as widely expected and see scope to lower further** if inflation pressures ease. They sees rate at around 2.71 % in 4Q25 and 2.55% in 1Q26. RBNZ sees both upside and downside risks to the economic outlook. **Yield on New Zealand's 10-year bonds drop 10bps after decisions. Market see one more cut from RBNZ this year.**
- **Bank of Indonesia cut rate -25bps to 5.00% against expectations for a hold** and will continue to monitor scope for further rate cuts. BI sees growth improving in 2H25 and anticipate two Fed cuts this year, while sees core inflation remaining low around 2.5% in 2025-2026.
- **The Thai baht closed slightly weaker**, with continued capital outflows from both the stock and bond markets. **BoT Deputy Governor, Piti Disyatat said BoT doesn't have much room for further rate cut,** adding that the policy rate has been below 1.5% only on 3 occasions in the past 25 years. **However, he noted that a substantial downward to growth outlook**, or unexpected shocks that are not in the forecast, **may prompt further rate cut. BoT has no target on baht level** and has intervened in the market from time to time to ease excessive volatility triggered by non-fundamental factors.

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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	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 21-Aug-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.36	32.46	32.76
EUR/THB	37.49	37.53	38.30
GBP/THB	43.40	43.47	44.38
JPY/THB	0.217	0.217	0.225

KBank SWAP Point Rates:

	Premium/Discount (1M) as of 21-Aug-25 Export/Import
USD/THB	-9.45 / -7.65
EUR/THB	-10.79 / 11.39
GBP/THB	-20.1 / 10.14
JPY/THB	-3.3653 / 15.9446

Market Summary:

US Markets	20-Aug-25	19-Aug-25	Change
Dow Jones	44,938.31	44,922.27	0%
S&P 500	6,395.78	6,411.37	-0.2%
Treasury Yield 2yr note (%)	3.75	3.75	0 bps
Treasury Yield 10yr note (%)	4.29	4.31	-2 bps

European Markets	20-Aug-25	19-Aug-25	Change
Germany (DAX)	24,277	24,423	-0.6%
France (CAC 40)	7,973	7,979	-0.1%
UK (FTSE 100)	9,288	9,189	1.1%
Bund Yield 2yr note (%)	1.93	1.96	-2 bps
Bund Yield 10yr note (%)	2.72	2.75	-3 bps

Thai Markets	20-Aug-25	19-Aug-25	Change
SET	1,248.13	1,235.76	1%
TGB Yield 2yr note (%)	1.14	1.14	0 bps
TGB Yield 5yr note (%)	1.16	1.16	0 bps
TGB Yield 10yr note (%)	1.35	1.35	0 bps

Money Markets		
THOR	20-Aug-25	19-Aug-25
O/N	1.49548	1.49581
1M	1.69316	1.69926
3M	1.72906	1.73179
6M	1.84632	1.85049
BIBOR	20-Aug-25	19-Aug-25
1M	1.54578	1.54344
3M	1.63895	1.63933
6M	1.68248	1.68319

Foreign capital flows	20-Aug-25	19-Aug-25
Thai Bonds (M THB)	-1,275	-1,010
Thai Stocks (M THB)	-563	-416

Commodities	20-Aug-25	change
WTI Crude (USD/bbl)	63.2	1.38%
Dubai Fateh (USD/bbl)	66.7	0.48%
Gold (USD/ounce)	3,345.2	0.83%

FX Markets	Morning Spot	Closing rates 20-Aug-25	Closing rates 19-Aug-25	Daily % Change	Consensus End-2025
USD/THB**	**32.57**	**32.55**	**32.51**	**0.12%**	**33.70**
EUR/USD	1.165	1.166	1.166	0.03%	1.18
USD/JPY	147.37	147.12	147.63	-0.35%	143.0
GBP/USD	1.346	1.346	1.349	-0.21%	1.36
USD/CNY	7.176	7.176	7.182	-0.09%	7.15
USD/SGD	1.286	1.285	1.285	-0.02%	1.28
USD/IDR	16,270	16,270	16,245	0.15%	16,300
USD/MYR	4.224	4.227	4.224	0.06%	4.21
USD/PHP	56.97	56.97	57.11	-0.25%	56.50
USD/KRW	1,398	1,397	1,391	0.43%	1,370
USD/NTD	30.30	30.30	30.12	0.62%	29.40
AUD/USD	0.6429	0.6435	0.6457	-0.34%	0.6600
USD/CHF	0.8044	0.8040	0.8072	-0.4%	0.81
USD/VND	26375	26373	26315	0.22%	26200
JPY/THB	22.10	22.12	22.02	0.47%	23.57
EUR/THB	37.94	37.95	37.89	0.16%	39.77
GBP/THB	43.84	43.82	43.85	-0.08%	45.83
CNY/THB	4.54	4.54	4.53	0.22%	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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