

# KBank

## Daily Update

22 August 2025

### US dollar rises as business activity hits 3-year high

**Market summary:** US manufacturing PMI rose to 53.3 in August, the highest since 2022. Initial U.S. jobless claims increased to 235,000, the highest since June and above expectations. Atlanta Fed's Bostic expects one rate cut this year but is cautious on labor market, while Kansas City Fed's Schmid views inflation risks as slightly higher than labor risks. Investors are awaiting Fed Chair Jerome Powell's speech at Jackson Hole tonight. The Eurozone composite PMI for August expanding at the fastest pace in 15 months. Japan's July inflation eased slightly, with headline and core CPI at 3.1% YoY, down from 3.3% YoY in June.

**Factors to watch:** The Jackson Hole's Meeting (Fri)

**USD/THB:** Open 32.67, Support 32.50, Resistance 32.80

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### Macro update

- **The U.S. dollar strengthened** as US manufacturing PMI rose to 53.3 in August, the highest since 2022, with employment growth at its fastest pace since 2022. Companies were able to pass import tariff costs onto consumers, keeping inflation elevated. The composite PMI reached a yearly high of 55.4, while services slowed slightly, yet sales and backlogs remained at the strongest levels since 2022. Rising uncertainty also prompted producers to build inventories to the highest level since 2007. **Initial U.S. jobless claims increased to 235,000, the highest since June and above expectations**, while continuing claims rose to 1.97 million, the highest since November 2021, reflecting difficulties in finding new jobs and indicating a continued slowdown in the labor market.
- **Atlanta Fed President Raphael Bostic still expects one rate cut this year** but remains concerned about labor market trends, while **Kansas City Fed President Jeff Schmid sees inflation risks slightly higher than labor market risks**, considering current policy appropriate. Inflation data for this and next month will play a key role. **Investors are awaiting Fed Chair Jerome Powell's speech at Jackson Hole tonight**, but confidence in a rate cut has dropped to around 75%.
- **The euro weakened -0.39% to 1.161 USD/EUR** despite the Eurozone composite PMI for August expanding at the fastest pace in 15 months to 51.1. Manufacturing expanded for the first time since 2022 at 50.5, suggesting businesses are handling U.S. trade policy pressures well. By country, **Germany's composite PMI rose for the third consecutive month to 50.9**, with manufacturing at 49.9, close to expansion levels last seen in mid-2022. **France saw improvement in both manufacturing and services, with the composite at 49.8, the highest in a year**, indicating a slow recovery and supporting the ECB's view of no immediate need for further rate cuts.
- **The British pound fell -0.33% to 1.341 USD/GBP**. The UK composite PMI rose to 53 from 51.5 in July, the highest in a year. Services expanded for the 4<sup>th</sup> consecutive month at 53.6, also a yearly high, while manufacturing contracted for the 11<sup>th</sup> month at 47.3, reflecting weak new orders despite service-led economic recovery.

- **The Japanese yen fell past 148 per dollar, the weakest level in three weeks.** Japan’s July inflation eased slightly, with headline and core CPI at 3.1% YoY, down from 3.3% YoY in June, while core-core CPI remained steady at 3.4% YoY. Although overall inflation slowed, price pressures remain sticky due to rising rice and labor costs, leading markets to expect the BOJ to continue gradual rate hikes if U.S. import tariff impacts remain limited.
- **The Thai baht weakened -0.21% to 32.62 per dollar.** Thailand’s Constitutional Court has completed its inquiry into Prime Minister Paetongtarn Shinawatra’s status and moved the deadline for closing statements forward to August 25 from August 27 to allow judges more time to prepare their opinions. **The court will read its final ruling as scheduled on August 29, a key moment for the country’s political direction.**

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

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 22-Aug-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.41	32.51	32.81
EUR/THB	37.47	37.51	38.27
GBP/THB	43.27	43.34	44.25
JPY/THB	0.216	0.216	0.224

## KBank SWAP Point Rates:

Premium/Discount (1M) as of 22-Aug-25
Export/Import
-9.45 / -7.65
-10.79 / 11.39
-20.1 / 10.14
-3.3653 / 15.9446

## Market Summary:

US Markets	21-Aug-25	20-Aug-25	Change
Dow Jones	44,785.50	44,938.31	-0.3% ↓
S&P 500	6,370.17	6,395.78	-0.4% ↓
Treasury Yield 2yr note (%)	3.79	3.75	4 bps ↑
Treasury Yield 10yr note (%)	4.33	4.29	4 bps ↑

European Markets	21-Aug-25	20-Aug-25	Change
Germany (DAX)	24,293	24,277	0.1% ↑
France (CAC 40)	7,938	7,973	-0.4% ↓
UK (FTSE 100)	9,309	9,288	0.2% ↑
Bund Yield 2yr note (%)	1.97	1.93	4 bps ↑
Bund Yield 10yr note (%)	2.76	2.72	4 bps ↑

Thai Markets	21-Aug-25	20-Aug-25	Change
SET	1,244.79	1,248.13	-0.3% ↓
TGB Yield 2yr note (%)	1.14	1.14	1 bps ↑
TGB Yield 5yr note (%)	1.17	1.16	1 bps ↑
TGB Yield 10yr note (%)	1.36	1.35	1 bps ↑

Money Markets	21-Aug-25	20-Aug-25
THOR	1.49434	1.49548 →
O/N	1.68151	1.69316 ↓
1M	1.72632	1.72906 →
3M	1.84214	1.84632 →
6M	1.54620	1.54578 →
BIBOR	1.63893	1.63895 →
1M	1.68204	1.68248 →

Foreign capital flows	21-Aug-25	20-Aug-25
Thai Bonds (M THB)	60	-1,275 ↑
Thai Stocks (M THB)	-2,811	-563 ↓

Commodities	21-Aug-25	change
WTI Crude (USD/bbl)	63.5	0.49% ↑
Dubai Fateh (USD/bbl)	67.8	1.63% ↑
Gold (USD/ounce)	3,338.7	-0.29% ↓

FX Markets	Morning Spot	Closing rates		Daily % Change	Consensus End-2025
		21-Aug-25	20-Aug-25		
USD/THB**	32.67	32.62	32.55	0.21% ↑	33.70
EUR/USD	1.162	1.161	1.165	-0.39% ↓	1.18
USD/JPY	148.35	148.37	147.33	0.71% ↑	143.0
GBP/USD	1.342	1.341	1.346	-0.33% ↓	1.36
USD/CNY	7.181	7.181	7.176	0.07% ↑	7.15
USD/SGD	1.289	1.289	1.285	0.27% ↑	1.27
USD/IDR	16,285	16,285	16,270	0.09% ↑	16,200
USD/MYR	4.235	4.224	4.227	-0.05% ↓	4.20
USD/PHP	56.97	56.97	56.97	0% →	56.10
USD/KRW	1,399	1,399	1,397	0.13% ↑	1,370
USD/NTD	30.50	30.50	30.30	0.66% ↑	29.40
AUD/USD	0.6426	0.6420	0.6434	-0.22% ↓	0.6700
USD/CHF	0.8087	0.8087	0.8041	0.57% ↑	0.81
USD/VND	26429	26429	26373	0.21% ↑	26200
JPY/THB	22.02	21.98	22.09	-0.49% ↓	23.57
EUR/THB	37.95	37.86	37.93	-0.19% ↓	39.77
GBP/THB	43.84	43.75	43.80	-0.13% ↓	45.83
CNY/THB	4.55	4.54	4.54	0.14% ↑	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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