

KBank

Daily Update

23 July 2025

Trump cut tariffs on Japan to 15% and Philippines to 19%

Market summary: Trump announced a trade deal with Japan to cut import tariffs to 15%, and reduced tariffs on imports from the Philippines to 19%. Trump continued his criticism of Fed Chair Jerome Powell, claiming that cutting rates to 1% could have saved over USD 1 trillion in interest costs. Meanwhile, Thailand's Cabinet approved the appointment of Mr. Vithai Ratanakorn as the new BOT Governor.

Factors to watch: US Existing Home Sales (Wed), ECB meeting, US Manufacturing PMI and New Home Sales (Thu), Tokyo CPI, US Retail Sales and Durable Goods Orders (Fri)

USD/THB: Open 32.16, Support 32.00, Resistance 32.30

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Macro update

- **The U.S. dollar index closed lower**, while U.S. stock markets remained near record highs ahead of major tech company earnings announcements. **Trump announced a trade agreement with Japan to reduce tariffs to 15% in exchange for USD 550 billion of Japanese investment in the U.S.**, along with opening Japan's market to American agricultural products and automobiles. However, there is still uncertainty regarding tariff reductions on key items such as automobiles and steel. **The Japanese market responded lukewarmly, and the yen barely moved**, indicating market disappointment or skepticism. Meanwhile, **the upcoming 40-year Japanese government bond auction is drawing close attention amid fiscal discipline concerns** following Prime Minister Ishiba's election defeat.
- **The U.S. also reduced import tariffs on goods from the Philippines from 20% to 19%** in exchange for increased Philippine imports of U.S. agricultural products, pharmaceuticals, and automobiles, as well as enhanced military cooperation. The deal is similar to recent agreements with Indonesia and Vietnam and is unlikely to significantly move markets today.
- **Canadian Prime Minister Mark Carney stated that Canada would not accept a trade deal that puts the country at a disadvantage** against the U.S., dampening hopes for an agreement within 10 days. Meanwhile, **Treasury Secretary Scott Bessent is scheduled to meet with Chinese trade representatives in Stockholm next week** for further negotiations.
- **Trump continues to criticize Powell, focusing on the government's interest expense.** He stated that if the Fed had cut rates to 1% instead of 4%, it could have saved over USD 1 trillion in interest costs. This reflects Trump's view of the government as a business that should cut costs — a perspective that supports the Treasury's ongoing strategy of issuing mostly short-term T-bills to keep debt servicing costs low.
- **The Thai baht closed 0.17% stronger against the U.S. dollar**, supported by gold prices breaking through the key resistance level of USD 3,400 per ounce once again. Meanwhile, **the Thai Cabinet approved the appointment of Mr. Vithai Ratanakorn as the next BOT Governor**, succeeding Mr. Sethaput Suthiwartnarueput, whose term ends in September.

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 23-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	31.93	32.03	32.33
EUR/THB	37.32	37.36	38.12
GBP/THB	42.97	43.05	43.95
JPY/THB	0.215	0.216	0.224

KBank SWAP Point Rates:

Premium/Discount (1M) as of 23-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	22-Jul-25	21-Jul-25	Change
Dow Jones	44,502.44	44,323.07	0.4%
S&P 500	6,309.62	6,305.60	0.1%
Treasury Yield 2yr note (%)	3.83	3.86	-3 bps
Treasury Yield 10yr note (%)	4.34	4.38	-3 bps

European Markets	22-Jul-25	21-Jul-25	Change
Germany (DAX)	24,042	24,308	-1.1%
France (CAC 40)	7,744	7,798	-0.7%
UK (FTSE 100)	9,024	9,013	0.1%
Bund Yield 2yr note (%)	1.81	1.82	-1 bps
Bund Yield 10yr note (%)	2.59	2.61	-2 bps

Thai Markets	22-Jul-25	21-Jul-25	Change
SET	1,191.75	1,208.13	-1.4%
TGB Yield 2yr note (%)	1.30	1.34	-4 bps
TGB Yield 5yr note (%)	1.30	1.36	-5 bps
TGB Yield 10yr note (%)	1.50	1.53	-3 bps

Money Markets	22-Jul-25	21-Jul-25
THOR	1.74619	1.74538
O/N	1.74543	1.74535
1M	1.76983	1.77257
3M	1.93676	1.93955
6M	1.79162	1.79159
BIBOR	1.88647	1.88639
6M	1.91671	1.91688

Foreign capital flows	22-Jul-25	21-Jul-25
Thai Bonds (M THB)	-2,563	-567
Thai Stocks (M THB)	1,821	1,150

Commodities	22-Jul-25	change
WTI Crude (USD/bbl)	66.2	-1.47%
Dubai Fateh (USD/bbl)	67.8	-1.19%
Gold (USD/ounce)	3,432.3	1.08%

FX Markets	Morning Spot	Closing rates		Daily % Change	Consensus End-2025
		22-Jul-25	21-Jul-25		
USD/THB**	32.16	32.31	32.36	-0.17%	33.70
EUR/USD	1.175	1.176	1.170	0.47%	1.17
USD/JPY	146.49	146.43	147.16	-0.5%	140.0
GBP/USD	1.353	1.353	1.350	0.26%	1.36
USD/CNY	7.169	7.169	7.169	-0.01%	7.15
USD/SGD	1.278	1.278	1.280	-0.16%	1.27
USD/IDR	16,310	16,310	16,311	-0.01%	16,190
USD/MYR	4.225	4.233	4.235	-0.05%	4.20
USD/PHP	56.90	57.05	57.16	-0.19%	56.00
USD/KRW	1,380	1,381	1,383	-0.13%	1,350
USD/NTD	29.42	29.45	29.41	0.13%	28.95
AUD/USD	0.6558	0.6553	0.6532	0.32%	0.6700
USD/CHF	0.7932	0.7922	0.7976	-0.68%	0.81
USD/VND	26145	26143	26154	-0.04%	26200
JPY/THB	21.96	22.06	21.99	0.33%	24.07
EUR/THB	37.78	37.98	37.86	0.3%	39.43
GBP/THB	43.50	43.71	43.67	0.09%	45.83
CNY/THB	4.49	4.51	4.51	-0.16%	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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