

# KBank

## Daily Update

24 July 2025

### The EU is in negotiations to reduce tariffs to around 15%

**Market summary:** The U.S. dollar index closed lower while government bond yields rose, as demand for safe-haven assets declined. The European Union is negotiating tariff reductions to around 15%, but Trump has threatened to raise them to 30% if talks fail. The yen strengthened on speculation that Prime Minister Ishiba may resign, while the yuan appreciated to a three-week high as tariff concerns began to ease. The Chinese yuan appreciated to its strongest level in three weeks as tariff concerns began to ease.

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

**USD/THB:** Open 32.14, Support 32.00, Resistance 32.30

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### Macro update

- **The U.S. dollar index closed lower**, while government bond yields rose. The S&P 500 index reached a new all-time high. Gold prices fell below USD 3,400 per ounce once again as demand for safe-haven assets declined following news of a trade deal between the U.S. and Japan. **The European Union is currently negotiating a similar deal, which could lower tariffs to around 15%.** However, if a deal cannot be reached, Trump has threatened to raise tariffs to 30%. Meanwhile, the EU is also preparing to impose a 30% tariff on over EUR 100 billion worth of U.S. goods. **Trump announced that no imports would be allowed below the 15% tariff threshold unless countries open their markets to U.S. businesses in exchange for tariff reductions from current levels.**
- **U.S. existing home sales fell by -2.7% MoM in June**, hitting a 9-month low amid record-high home prices and persistently elevated borrowing costs. The average 30-year fixed mortgage rate rose to 6.84% last week.
- **The Japanese yen strengthened** following speculation that Prime Minister Ishiba might resign by the end of August after losing an election and seeing declining approval ratings. **Markets view his potential resignation as reducing political uncertainty and possibly clearing the way for the BOJ to raise rates.** However, Ishiba denied the rumors and stressed the importance of remaining in office to finalize the trade deal with the U.S. Meanwhile, **Japanese government bonds faced pressure after demand in the 40-year bond auction hit its lowest in over a decade.** The market is now pricing in an 80% chance that the BOJ will raise rates by the end of the year, suggesting a further steepening of the yield curve. **Japanese equities rallied, especially the automotive sector index**, reflecting gains from the trade deal. **Japan's manufacturing PMI for July fell to 48.8 from 50.1 in June**, indicating renewed contraction in manufacturing activity.
- **The Chinese yuan appreciated to its strongest level in three weeks** as tariff concerns began to ease after the U.S.-Japan trade deal. Additionally, the U.S. is preparing to ease restrictions on H2O model AI chips, amid rising Chinese exports of rare-earth magnets. This move, according to U.S. Commerce Secretary Lutnick, reflects efforts to maintain trade and tech balance between the two countries.

- **The Thai baht closed stronger at 32.16 per U.S. dollar**, supported by capital inflows into the stock market, though partially offset by outflows from the bond market. Markets are now watching closely for Thailand’s June export data, expected to show continued solid growth.

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 24-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	31.86	31.96	32.26
EUR/THB	37.34	37.39	38.15
GBP/THB	43.06	43.14	44.05
JPY/THB	0.215	0.216	0.224

## KBank SWAP Point Rates:

Premium/Discount (1M) as of 24-Jul-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

## Market Summary:

US Markets	23-Jul-25	22-Jul-25	Change
Dow Jones	45,010.29	44,502.44	1.1%
S&P 500	6,358.91	6,309.62	0.8%
Treasury Yield 2yr note (%)	3.88	3.83	5 bps
Treasury Yield 10yr note (%)	4.38	4.34	4 bps

European Markets	23-Jul-25	22-Jul-25	Change
Germany (DAX)	24,241	24,042	0.8%
France (CAC 40)	7,850	7,744	1.4%
UK (FTSE 100)	9,061	9,024	0.4%
Bund Yield 2yr note (%)	1.84	1.81	3 bps
Bund Yield 10yr note (%)	2.64	2.59	5 bps

Thai Markets	23-Jul-25	22-Jul-25	Change
SET	1,219.62	1,191.75	2.3%
TGB Yield 2yr note (%)	1.30	1.30	0 bps
TGB Yield 5yr note (%)	1.32	1.30	1 bps
TGB Yield 10yr note (%)	1.50	1.50	0 bps

Money Markets	23-Jul-25	22-Jul-25
THOR	1.74053	1.74619
O/N	1.74551	1.74543
1M	1.76709	1.76983
3M	1.93398	1.93676
6M	1.79100	1.79162
BIBOR	1.88580	1.88647
6M	1.91561	1.91671

Foreign capital flows	23-Jul-25	22-Jul-25
Thai Bonds (M THB)	617	-724
Thai Stocks (M THB)	4,492	1,821

Commodities	23-Jul-25	change
WTI Crude (USD/bbl)	65.3	-1.45%
Dubai Fateh (USD/bbl)	67.4	-0.58%
Gold (USD/ounce)	3,387.4	-1.31%

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		23-Jul-25	22-Jul-25			
USD/THB**	32.14	32.16	32.31	-0.45%		33.70
EUR/USD	1.177	1.175	1.176	-0.03%		1.18
USD/JPY	146.18	146.58	146.43	0.1%		140.0
GBP/USD	1.358	1.356	1.353	0.24%		1.36
USD/CNY	7.154	7.154	7.169	-0.21%		7.15
USD/SGD	1.276	1.278	1.278	-0.02%		1.27
USD/IDR	16,293	16,293	16,310	-0.1%		16,180
USD/MYR	4.219	4.228	4.233	-0.11%		4.20
USD/PHP	56.70	56.89	57.05	-0.27%		56.05
USD/KRW	1,370	1,376	1,381	-0.34%		1,350
USD/NTD	29.28	29.35	29.45	-0.34%		29.00
AUD/USD	0.6609	0.6583	0.6553	0.46%		0.6700
USD/CHF	0.7921	0.7944	0.7922	0.28%		0.81
USD/VND	26142	26142	26143	0%		26200
JPY/THB	21.99	21.94	22.06	-0.55%		24.07
EUR/THB	37.84	37.79	37.98	-0.48%		39.77
GBP/THB	43.65	43.62	43.71	-0.21%		45.83
CNY/THB	4.49	4.50	4.51	-0.24%		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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