KBank Daily Update

27 June 2025

Dollar weakens for 4th day, hitting 3-year low

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Market summary: U.S. economic data came in weaker than expected. The trade deficit in May 2025 rose by 11.1% MoM to USD 96.6 billion, higher than forecast. Q1 GDP was revised down to -0.5% QoQ, saar from the previous -0.2%, while continuing jobless claims increased to 1.84 million, the highest level since late 2021. Mary Daly, President of the San Francisco Fed, said weaker-than-expected tariff impacts could open the door for rate cuts between September and November. Meanwhile, the euro broke above the key resistance level of USD 1.17 for the first time in over three years.

Factors to watch: US PCE inflation & UoM consumer sentiment (Fri)

USD/THB: Open 32.49, Support 32.40, Resistance 32.70

Macro update

- **The U.S. dollar index weakened to a three-year low, falling for a fourth straight day,** after reports that Donald Trump may soon announce a new Fed Chair, raising expectations for earlier rate cuts. Meanwhile, U.S. economic data came in weaker than expected: **the May 2025 trade deficit rose 11.1%MoM to USD 96.6 billion** due to a 5.2% drop in exports, especially in industrial materials, while imports were little changed**. Q1 GDP was revised down to -0.5% QoQ saar** (from -0.2%), with consumer spending rising only 0.5%QoQ, saar (from 1.2% QoQ), and **continuing jobless claims jumped to 1.974 million—highest level since late 2021.**

- **San Francisco Fed President Mary Daly said lower-than-expected tariff impacts may open the door for rate cuts** between September and November, though **other officials like Tom Barkin (Richmond Fed) and Austan Goolsbee (Chicago Fed) remain cautious** about cutting in July due to ongoing economic uncertainties. **Market expect more than two cuts this year and are watching tonight's PCE inflation data for further clues.**

- **The dollar edged up slightly this morning** after news **that Section 899—or the "revenge tax" targeting foreign subsidiaries—will be repealed, along with a preliminary trade deal with China**, boosting investor sentiment. However, risks remain if the Trump administration increases pressure on the Fed to cut rates, potentially offsetting any positives.

- **Trump also announced that the U.S. is preparing nuclear talks with Iran next week following a ceasefire with Israel.** He claimed U.S. strikes had disabled Iran's nuclear sites, suggesting diplomacy may no longer be necessary. Iran, however, signaled willingness to return to talks despite tougher conditions, particularly over uranium enrichment rights.

- **The euro rose 0.36% past the key USD 1.17 level for the first time in over three years, extending gains for a sixth day**—its longest rally in a year. **This came despite Germany's July GfK consumer confidence falling to -20.3**, below expectations (-19.2) and the lowest in three months, highlighting continued economic concerns.

- **The pound gained 0.47% to USD 1.37 from weakening US dollar.** BoE Governor Andrew Bailey said wage growth in the UK is slowing, easing inflation pressures despite food prices remaining a risk. **Markets now expect a possible rate cut in August,** with gilts rising slightly on the news.
- **China's onshore yuan strengthened to 7.1574 per US dollar—it's strongest in 7 months—**after the PBOC set a stronger-than-expected fixing, while dollar weakness added to the gain.
- **Tokyo's June inflation eased more than expected, with core CPI dropping to 3.1% YoY from 3.6%,** temporarily easing the cost-of-living burden due to government measures. However, **the yen held steady at around 144.6 per US dollar,** suggesting investors are not placing much weight on the data, especially with inflation pressures likely to return due to rising oil prices from the Israel-Iran conflict.
- **Thailand's baht closed steady at around 32.49 per US dollar** amid outflows from the bond market, partially offset by minor inflows into equities yesterday.

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As always, we thank you for your continued support of our research products and services.

Yours Sincerely,
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KBank Counter rates:

as of 27-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.28	32.38	32.68
EUR/THB	37.58	37.63	38.38
GBP/THB	44.11	44.19	45.09
JPY/THB	0.221	0.221	0.229

KBank SWAP Point Rates:

Premium/Discount (1M) as of 27-Jun-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	26-Jun-25	25-Jun-25	Change
Dow Jones	43,386.84	42,982.43	0.9%
S&P 500	6,141.02	6,092.16	0.8%
Treasury Yield 2yr note (%)	3.72	3.78	-6 bps
Treasury Yield 10yr note (%)	4.24	4.29	-5 bps

European Markets	26-Jun-25	25-Jun-25	Change
Germany (DAX)	23,649	23,498	0.6%
France (CAC 40)	7,557	7,558	0%
UK (FTSE 100)	8,736	8,719	0.2%
Bund Yield 2yr note (%)	1.83	1.84	-2 bps
Bund Yield 10yr note (%)	2.57	2.57	0 bps

Thai Markets	26-Jun-25	25-Jun-25	Change
SET	1,106.73	1,107.69	-0.1%
TGB Yield 2yr note (%)	1.40	1.43	-2 bps
TGB Yield 5yr note (%)	1.42	1.46	-4 bps
TGB Yield 10yr note (%)	1.61	1.66	-4 bps

Money Markets		
THOR	26-Jun-25	25-Jun-25
O/N	1.74474	1.74469
1M	1.74526	1.74535
3M	1.84283	1.84553
6M	2.01070	2.01348
BIBOR	26-Jun-25	25-Jun-25
1M	1.79252	1.79443
3M	1.89084	1.89097
6M	1.93192	1.93245

Foreign capital flows	26-Jun-25	25-Jun-25
Thai Bonds (M THB)	-2,142	-2,493
Thai Stocks (M THB)	765	2,652

Commodities	26-Jun-25	change
WTI Crude (USD/bbl)	65.2	0.49%
Dubai Fateh (USD/bbl)	65.2	0.73%
Gold (USD/ounce)	3,327.9	-0.13%

Markets	Morning Spot	Closing rates 26-Jun-25	Closing rates 25-Jun-25	Daily % Change	Consensus End-2025
USD/THB**	**32.49**	**32.49**	**32.52**	**-0.09%**	**33.70**
EUR/USD	1.169	1.170	1.166	0.36%	1.16
USD/JPY	144.73	144.42	145.24	-0.56%	140.0
GBP/USD	1.373	1.373	1.366	0.47%	1.36
USD/CNY	7.168	7.168	7.174	-0.09%	7.20
USD/SGD	1.275	1.274	1.279	-0.34%	1.29
USD/IDR	16,205	16,205	16,290	-0.52%	16,300
USD/MYR	4.231	4.231	4.237	-0.13%	4.22
USD/PHP	56.60	56.60	56.71	-0.18%	55.55
USD/KRW	1,357	1,354	1,362	-0.59%	1,365
USD/NTD	29.14	29.14	29.38	-0.8%	30.20
AUD/USD	0.6550	0.6546	0.6513	0.51%	0.6700
USD/CHF	0.8012	0.8002	0.8048	-0.57%	0.82
USD/VND	26120	26119	26152	-0.13%	25975
JPY/THB	22.45	22.50	22.39	0.48%	24.07
EUR/THB	38.00	38.02	37.92	0.27%	39.09
GBP/THB	44.62	44.61	44.44	0.38%	45.83
CNY/THB	4.53	4.53	4.53	0%	4.68

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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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