

KBank

Daily Update

3 July 2025

Trump Reaches Trade Deal with Vietnam

Market summary: Trump announced a trade deal with Vietnam, under which Vietnam will face a 20% import tariff. U.S. private-sector employment, according to ADP, fell in June for the first time in two years. Bill Pulte, head of the U.S. Federal Housing Finance Agency (FHFA), called on Congress to investigate Fed Chair Jerome Powell. Meanwhile, the UK bond market saw heavy selling amid speculation that Chancellor Rachel Reeves may resign.

Factors to watch: US nonfarm payroll, unemployment rate and ISM services PMI (Thu), Europe PPI (Fri)

USD/THB: Open 32.35, Support 32.25, Resistance 32.50

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Macro update

- **The US dollar index edged up slightly to around 96.8 points**, while the S&P 500 hit a new record high, supported by **President Donald Trump's announcement of a trade deal with Vietnam**. Under the deal, Vietnam will be imposed a 20% tariff on exports to the US (down from 46%) and 40% on transshipped goods, while US exports to Vietnam will be tariff-free. Vietnam also plans to buy USD 3 billion worth of US agricultural products, boosting confidence in US export demand and pushing corn prices higher, as Vietnam is a major corn importer in the region. **Meanwhile, Japan emphasized it won't rush into a deal under the pressure of Trump's 35% tariff threat, insisting on protecting national interests.**
- **US private-sector jobs, according to ADP data, fell by -33,000 in June**, the first drop in two years, versus expectations of a 98,000 gain. May's figure was revised down to 29,000 from 37,000. **US mortgage applications rose 2.7% WoW, marking a second week of gains**, driven by a 6.5% WoW jump in refinancing. The average 30-year fixed mortgage rate declined to 6.79% from 6.88%.
- **Trump's tax bill hit a roadblock in the House due to opposition from conservative Republicans concerned about its cost.** Trump is meeting with dissenting members ahead of the July 4 deadline to pass the bill. Meanwhile, **Bill Pulte, head of the US Federal Housing Finance Agency (FHFA), called on Congress to investigate Fed Chair Jerome Powell** for allegedly misleading testimony on the central bank's building renovation and demanded his resignation. Powell denied the claims and expressed willingness to discuss the project's costs with Congress. **Thomas Barkin, President of the Richmond Fed, said there is no urgent need to cut interest rates**, as the US economy remains strong, and policy should move cautiously. He also expressed hope that the next Fed chair will act in the best interest of the economy despite political pressure.
- **The British pound weakened -0.8%** against the US dollar as **UK bonds sold off amid speculation that Chancellor Rachel Reeves might resign**. Labour leader Keir Starmer confirmed Reeves will remain in her position through the next election. 10- and 30-year gilt yields up by nearly 17bps and 20bps, respectively.
- **The Thai baht closed stronger at around 32.35 per US dollar**, amid limited capital flows — with slight outflows from equities offset by inflows into bonds.

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
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 03-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.12	32.22	32.52
EUR/THB	37.77	37.82	38.57
GBP/THB	43.64	43.71	44.61
JPY/THB	0.221	0.222	0.230

KBank SWAP Point Rates:

Premium/Discount (1M) as of 03-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	2-Jul-25	1-Jul-25	Change
Dow Jones	44,484.42	44,494.94	0%
S&P 500	6,227.42	6,198.01	0.5%
Treasury Yield 2yr note (%)	3.78	3.77	1 bps
Treasury Yield 10yr note (%)	4.28	4.24	4 bps

European Markets	2-Jul-25	1-Jul-25	Change
Germany (DAX)	23,790	23,673	0.5%
France (CAC 40)	7,738	7,663	1%
UK (FTSE 100)	8,775	8,785	-0.1%
Bund Yield 2yr note (%)	1.86	1.85	1 bps
Bund Yield 10yr note (%)	2.66	2.57	9 bps

Thai Markets	2-Jul-25	1-Jul-25	Change
SET	1,115.69	1,110.01	0.5%
TGB Yield 2yr note (%)	1.39	1.38	1 bps
TGB Yield 5yr note (%)	1.39	1.37	2 bps
TGB Yield 10yr note (%)	1.59	1.57	1 bps

Money Markets

	2-Jul-25	1-Jul-25
THOR		
O/N	1.74555	1.74452
1M	1.74567	1.74563
3M	1.82448	1.82719
6M	1.99252	1.99381
BIBOR	2-Jul-25	1-Jul-25
1M	1.79379	1.79409
3M	1.88815	1.89054
6M	1.92887	1.93155

Foreign capital flows	2-Jul-25	1-Jul-25
Thai Bonds (M THB)	232	-3,419
Thai Stocks (M THB)	-680	-776

Commodities	2-Jul-25	change
WTI Crude (USD/bbl)	67.5	3.06%
Dubai Fateh (USD/bbl)	68.3	1.92%
Gold (USD/ounce)	3,357.5	0.56%

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		2-Jul-25	1-Jul-25			
USD/THB**	32.35	32.35	32.45	-0.32%		33.70
EUR/USD	1.181	1.180	1.181	-0.06%		1.17
USD/JPY	143.53	143.66	143.42	0.17%		140.0
GBP/USD	1.365	1.364	1.375	-0.8%		1.36
USD/CNY	7.163	7.163	7.166	-0.04%		7.15
USD/SGD	1.273	1.273	1.273	0.01%		1.29
USD/IDR	16,242	16,242	16,198	0.27%		16,200
USD/MYR	4.218	4.226	4.197	0.71%		4.23
USD/PHP	56.38	56.38	56.34	0.07%		55.80
USD/KRW	1,356	1,356	1,358	-0.13%		1,360
USD/NTD	29.00	29.00	29.17	-0.58%		29.50
AUD/USD	0.6581	0.6584	0.6583	0.02%		0.6700
USD/CHF	0.7912	0.7920	0.7911	0.11%		0.81
USD/VND	26164	26162	26130	0.12%		26200
JPY/THB	22.54	22.52	22.63	-0.49%		24.07
EUR/THB	38.20	38.17	38.31	-0.38%		39.43
GBP/THB	44.16	44.11	44.61	-1.12%		45.83
CNY/THB	4.52	4.52	4.53	-0.28%		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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