

KBank

Daily Update

30 June 2025

Trump terminated trade talks with Canada and to raise tariffs

Market summary: The US dollar index closed stronger on Friday after Trump announced the termination of trade negotiations with Canada. The US Core PCE Price Index rose above forecast and US personal spending declined worse than the expected. Trump continued to pressure Powell to cut interest rates, stating that a rate cut would lower borrowing costs.

Factors to watch: Thai current account (Mon), Europe CPI, US JOLTS job openings (Tue), US ADP employment (Wed), US nonfarm payroll, unemployment rate and ISM services PMI (Thu), Europe PPI (Fri)

USD/THB: Open 32.62, Support 32.45, Resistance 32.70

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Macro update

- **The US dollar index closed stronger on Friday** after Trump announced the termination of trade negotiations with Canada, citing Canada's digital services tax—set to take effect today—which would increase US business costs. Trump also said he would impose additional tariffs on Canada in the next 7 days. Moreover, he announced that 4–5 trade deals were nearing completion, including one with Europe. US stocks rose, while Trump's tax plan passed approval in the US Senate.
- **On US economic data front, the US Core PCE Price Index rose 2.7%YoY in May—above the 2.6%YoY forecast—US personal spending declined -0.3%MoM, worse than the expected 0%, and personal income contracted -0.4%MoM, below the forecast of +0.3%MoM.** Meanwhile, the final reading of the University of Michigan's Consumer Sentiment Index for June rose to 60.7 from the preliminary figure of 60.5. Inflation expectations declined slightly to 5.0% from 5.1%.
- **Trump continued to pressure Powell to cut interest rates, stating that a rate cut would lower borrowing costs.** He also revealed plans to appoint a new Fed chair—ready to cut rates—to replace Powell when his term ends in May 2026. Fed member Neel Kashkari forecast two rate cuts this year.
- **The euro strengthened against the US dollar, supported by option-driven inflows. French and Spanish inflation rose in June.** French inflation increased by 0.9%YoY, higher than both forecasts and the previous month's 0.8%YoY and 0.7%YoY, respectively. Spanish inflation came in at 2.2%YoY, in line with expectations, up from 2.0%YoY in the prior month. These figures have yet to spark market concerns, while the ECB's rate-cut cycle appears to be nearing its end.
- **The Thai baht weakened 0.36% against the US dollar,** amid capital outflows from both the Thai bond and equity markets. **The BOT announced it would step in to manage the baht if necessary, according to Bloomberg.** The BOT is currently closely monitoring the stability of the Thai currency. "We do look at the baht closely and try not to let it be too volatile...If it's driven by non-fundamental reasons, portfolio perceptions, sentiment that's unhinged with macro fundamentals then we will reduce the volatility." Piti Disyatat said.

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 30-Jun-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.34	32.44	32.74
EUR/THB	37.76	37.81	38.56
GBP/THB	44.16	44.23	45.14
JPY/THB	0.221	0.222	0.230

KBank SWAP Point Rates:

Premium/Discount (1M) as of 30-Jun-25 Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	27-Jun-25	26-Jun-25	Change
Dow Jones	43,819.27	43,386.84	1%
S&P 500	6,173.07	6,141.02	0.5%
Treasury Yield 2yr note (%)	3.75	3.72	3 bps
Treasury Yield 10yr note (%)	4.28	4.24	4 bps

European Markets	27-Jun-25	26-Jun-25	Change
Germany (DAX)	24,033	23,649	1.6%
France (CAC 40)	7,692	7,557	1.8%
UK (FTSE 100)	8,799	8,736	0.7%
Bund Yield 2yr note (%)	1.86	1.83	4 bps
Bund Yield 10yr note (%)	2.59	2.57	2 bps

Thai Markets	27-Jun-25	26-Jun-25	Change
SET	1,082.42	1,106.73	-2.2%
TGB Yield 2yr note (%)	1.40	1.40	0 bps
TGB Yield 5yr note (%)	1.41	1.42	-1 bps
TGB Yield 10yr note (%)	1.60	1.61	-1 bps

Money Markets	27-Jun-25	26-Jun-25
THOR	1.74286	1.74474
O/N	1.74527	1.74526
1M	1.84009	1.84283
3M	2.00793	2.01070
6M	1.79374	1.79252
BIBOR	1.89046	1.89084
1M	1.93135	1.93192
3M		
6M		

Foreign capital flows	27-Jun-25	26-Jun-25
Thai Bonds (M THB)	-2,513	-2,142
Thai Stocks (M THB)	-1,129	765

Commodities	27-Jun-25	change
WTI Crude (USD/bbl)	65.5	0.43%
Dubai Fateh (USD/bbl)	65.7	0.78%
Gold (USD/ounce)	3,274.3	-1.61%

FX Markets	Morning Spot	Closing rates		Daily %Change		Consensus End-2025
		27-Jun-25	26-Jun-25			
USD/THB**	32.62	32.61	32.49	0.36%		33.70
EUR/USD	1.172	1.172	1.170	0.15%		1.17
USD/JPY	144.63	144.65	144.42	0.16%		140.0
GBP/USD	1.371	1.372	1.373	-0.09%		1.36
USD/CNY	7.173	7.173	7.168	0.07%		7.20
USD/SGD	1.276	1.276	1.274	0.14%		1.29
USD/IDR	16,205	16,205	16,205	0%		16,300
USD/MYR	4.228	4.231	4.231	0%		4.24
USD/PHP	56.53	56.56	56.60	-0.08%		55.70
USD/KRW	1,358	1,362	1,354	0.59%		1,370
USD/NTD	29.13	29.15	29.14	0.02%		30.10
AUD/USD	0.6529	0.6529	0.6546	-0.26%		0.6700
USD/CHF	0.7992	0.7990	0.8002	-0.15%		0.82
USD/VND	26096	26095	26119	-0.09%		26100
JPY/THB	22.55	22.55	22.50	0.2%		24.07
EUR/THB	38.21	38.21	38.02	0.51%		39.43
GBP/THB	44.72	44.73	44.61	0.28%		45.83
CNY/THB	4.55	4.55	4.53	0.29%		4.68

***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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