

KBank

Daily Update

31 July 2025

Fed maintained its rate while US GDP beat forecast

Market summary: The US dollar index strengthened sharply after the Fed kept its policy rate unchanged expected, and Powell signaled that it has yet to decide on a rate cut at its next meeting in September. US GDP grew 3.0% annualized QoQ in Q2, above the 2.6% forecast. Trump announced a 25% import tariff in India, along with penalties for its oil and arms trade with Russia. Eurozone GDP grew 0.1%QoQ in Q2, beating expectations of 0.0%QoQ. The Bank of Canada kept its policy rate unchanged at 2.75%, as expected.

Factors to watch: BoJ meeting, China Official PMIs, Thai Current Account, US PCE inflation (Thu) Eurozone Inflation, US Nonfarm Payrolls and PMI (Fri)

USD/THB: Open 32.72, Support 32.60, Resistance 32.90

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Macro update

- **The US dollar index strengthened sharply by 0.8% to 99.9, its highest level in two months, while gold prices plunged to USD 3,268 per ounce after the Fed kept its policy rate unchanged at 4.25–4.50%, as expected, and Powell signaled that it has yet to decide on a rate cut at its next meeting in September.** The decision was not unanimous, with two Fed members, Michelle Bowman and Christopher Waller, voting for a 25bps rate cut. This marked the first time since 1993 that more than one member dissented. In its statement, the Fed revised its view on the US economy, shifting from expecting continued growth to seeing the economy as flat in H1, while unemployment remained low, the labor market stayed strong, and inflation increased slightly.
- **Powell stated that the US economy remains resilient despite uncertainty and reiterated that the current monetary policy stance is appropriate.** He added that the dissenting votes reflect differing opinions. Regarding the labor market, Powell noted that there are still no signs of weakness, although risks have increased due to falling labor demand. Long-term inflation expectations remain on target, but there are still risks of persistent inflationary pressures. Following Powell's remarks, market expectations for a Fed rate cut in September fell from 64% to 40%, although markets still anticipate at least one rate cut this year.
- **US economic data came in better than expected, supporting the dollar. US GDP grew 3.0% annualized QoQ in Q2, above the 2.6% forecast,** rebounding from -0.5% in Q1. The growth was driven by consumer spending, which rose 1.4%, higher than 0.5% in Q1 but slightly below the 1.5% forecast. Imports also fell 30.3%, compared with a 37.9% surge in Q1, while exports contracted by -1.8%. Core inflation slowed to 2.5%QoQ in Q2 from 3.5%QoQ, higher than the 2.3%QoQ forecast. Additionally, ADP reported that US private-sector employment rose by 104,000 in July, exceeding expectations of 76,000 and improving from a -23,000 decline in the previous month.
- **Trump announced a 25% import tariff on India, along with penalties for its oil and arms trade with Russia,** effective 1 August, which put strong depreciation pressure on the Indian rupee. Trump also stated that a trade deal had been

- reached with South Korea to lower import tariffs to 15% from the previously announced 25%.
- **The euro weakened 1.1% against the US dollar, even though Eurozone GDP grew 0.1%QoQ in Q2, beating expectations** of 0.0%QoQ, but slowing from 0.6%QoQ in the previous quarter. Germany’s GDP contracted by -0.1%QoQ, as expected, while France’s GDP grew 0.3%QoQ, above the 0.1%QoQ forecast.
- **The Bank of Canada kept its policy rate unchanged at 2.75%, as expected, and stated that trade war risks have eased.** BoC Governor Tiff Macklem said that the Canadian economy remains resilient, and inflation is near its 2% target, although some pressures could still push inflation higher. The BoC refrained from providing forward economic guidance for the second consecutive quarter, citing uncertainty over US trade policy.
- **The Thai baht ended weaker against the US dollar,** with small capital inflows into Thai bond markets but outflows from Thai equities.

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Thank you very much for your participations in The Asset’s survey regarding “The Asian Local Currency Bond Benchmark Review 2024”.



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Yours Sincerely,
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	Kasikornbank	Top sellside firm in the secondary market- Corporate bonds	Thai Baht	
	Kasikornbank	Top sellside firm in the secondary market- Government bonds	Thai Baht	

as of 31-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T	Premium/Discount (1M) as of 31-Jul-25 Export/Import
USD/THB	32.43	32.53	32.83	-9.2 / -6.85
EUR/THB	36.91	36.95	37.73	-10.34 / 12.42
GBP/THB	42.77	42.84	43.75	-19.68 / 11.4
JPY/THB	0.215	0.215	0.223	-3.1133 / 16.5629

Market Summary:

US Markets	30-Jul-25	29-Jul-25	Change
Dow Jones	44,461.28	44,632.99	-0.4% ↓
S&P 500	6,362.90	6,370.86	-0.1% ↓
Treasury Yield 2yr note (%)	3.94	3.87	7 bps ↑
Treasury Yield 10yr note (%)	4.37	4.32	5 bps ↑
European Markets	30-Jul-25	29-Jul-25	Change
Germany (DAX)	24,262	24,217	0.2% ↑
France (CAC 40)	7,862	7,857	0.1% ↑
UK (FTSE 100)	9,137	9,136	0% →
Bund Yield 2yr note (%)	1.95	1.94	1 bps ↑
Bund Yield 10yr note (%)	2.71	2.71	0 bps →
Thai Markets	30-Jul-25	29-Jul-25	Change
SET	1,244.14	1,233.68	0.8% ↑
TGB Yield 2yr note (%)	1.30	1.30	0 bps →
TGB Yield 5yr note (%)	1.32	1.33	-1 bps ↓
TGB Yield 10yr note (%)	1.52	1.52	0 bps →

Money Markets	30-Jul-25	29-Jul-25
THOR	1.74251	1.74236 →
O/N	1.74556	1.74556 →
1M	1.74792	1.75068 →
3M	1.91447	1.91726 →
6M	1.91530	1.91503 →
BIBOR	30-Jul-25	29-Jul-25
1M	1.79113	1.79088 →
3M	1.88612	1.88570 →
6M	1.91530	1.91503 →
Foreign capital flows	30-Jul-25	29-Jul-25
Thai Bonds (M THB)	67	72 ↓
Thai Stocks (M THB)	-265	3,380 ↓
Commodities	30-Jul-25	change
WTI Crude (USD/bbl)	70.0	1.14% ↑
Dubai Fateh (USD/bbl)	71.4	2.05% ↑
Gold (USD/ounce)	3,275.2	-1.55% ↓

FX Markets	Morning Spot	Closing rates		Daily %Change	Consensus End-2025
		30-Jul-25	29-Jul-25		
USD/THB**	32.72	32.48	32.43	0.18% ↑	33.70
EUR/USD	1.144	1.141	1.155	-1.23% ↓	1.18
USD/JPY	149.32	149.51	148.46	0.71% ↑	140.0
GBP/USD	1.325	1.324	1.335	-0.85% ↓	1.36
USD/CNY	7.197	7.197	7.177	0.28% ↑	7.15
USD/SGD	1.295	1.297	1.288	0.68% ↑	1.27
USD/IDR	16,393	16,393	16,398	-0.03% ↓	16,190
USD/MYR	4.257	4.240	4.234	0.13% ↑	4.20
USD/PHP	57.59	57.59	57.33	0.45% ↑	56.05
USD/KRW	1,390	1,390	1,390	0.05% ↑	1,350
USD/NTD	29.70	29.70	29.70	0.02% ↑	29.00
AUD/USD	0.6444	0.6434	0.6510	-1.17% ↓	0.6700
USD/CHF	0.8134	0.8148	0.8060	1.09% ↑	0.81
USD/VND	26215	26214	26219	-0.02% ↓	26200
JPY/THB	21.91	21.73	21.84	-0.53% ↓	24.07
EUR/THB	37.42	37.05	37.44	-1.06% ↓	39.77
GBP/THB	43.36	43.00	43.29	-0.68% ↓	45.83
CNY/THB	4.55	4.51	4.52	-0.11% ↓	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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