

# KBank

## Daily Update

4 July 2025

### US jobs report better-than-expected ease pressure on Fed cut

**Market summary:** Dollar gained, and Treasury yields up stronger-than-expected US jobs report ease pressure on the Fed to start cutting rates. US nonfarm payrolls gained 147k in Jun better than expected, while unemployment rate unexpectedly fell to 4.1%. Trump's fiscal package, One Big Beautiful Bill, passed in both chambers. Trump said may begin sending out letters to trading partners as soon as today setting unilateral tariffs rates. US lifts export license requirements for Chip design software sales to China. Thai June's CPI will be released this morning at 10.30 am as markets anticipate another negative print.

**Factors to watch:** Thai CPI, Europe PPI (Fri)

**USD/THB:** Open 32.44, Support 32.30, Resistance 32.55

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### Macro update

- **The US dollar index gained 0.4% at 97.18** and Treasury yields up with 2-year rose +9.5bps and 10-year up +7bps amid stronger-than-expected US jobs report prompted traders to exit bets on a Fed rate by this month and seeing only 68% chance of a cut in September down from 90% prior. **US nonfarm payrolls gained 147k in Jun better than expected** for 106k from an upwardly revised to 144k in May. However, jobs gained was due to a surge in public education employment while private payrolls rose just 74k the lowest since October and below 100k forecast. **Unemployment rate unexpectedly fell to 4.1%** as markets expect 4.3% from 4.2% previously. Still **average hourly earnings rose just 0.2%MoM and 3.7%YoY, the lowest in a year.** **US ISM services index rose to 50.8 back into expansion territory and better than 50.5 expected** from 49.9 prior amid rising business activity but employment continued to contract at 47.2.
- On fiscal front, **US House passed Trump's USD 3.4 trillion fiscal package, One Big Beautiful Bill, with a 218-214 vote sends the legislation to Trump** in time for his July deadline. The core of the bill is an extension of 2017 Trump tax cuts for individuals and businesses.
- For trade, **Trump said this morning that his administration may begin sending out letters to trading partners as soon as today setting unilateral tariffs rates** ahead of July 9 deadline for negotiations.
- **Euro fell -0.4% against US dollar** amid stronger US dollar as **final Eurozone services PMI edged up to 50.5 from prelim and expectation of 50.0.**
- **Pound gained 0.1% against US dollar** and **10-year gilt yields fell -7bps after strong surge prior day** as UK Prime Minister Keir Starmer calming the market saying Chancellor of the Exchequer Rachel Reeves will remain in her role.
- **Yen fell -0.9% closed at 144.93 per US dollar.** BoJ' Takata said should not put much hope that the BoJ will raise rate further this year. **Annual Rengo's wage negotiations concluded with the largest wage gain in 34 years at 5.25%,** supporting BoJ's rate hike narrative.

- **Yuan fell -0.1% at 7.17 yuan per US dollar.** China Caixin Services PMI fell to 50.6 the lowest in 9 months and below 50.9 forecast.
- **US lifts export license requirements for Chip design software sales to China,** a part of US-China trade deal to ease recent restrictions on critical technologies.
- **Thai baht fell 0.29% closed at 32.44 per US dollar** amid inflows to bond market and outflows from stock market. **World bank cut Thai GDP this year and next to 1.8% and 1.7%, respectively.** Thai June’s CPI will be released this morning at 10.30am as markets anticipate another negative print.

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 04-Jul-25 Round 1 | Sight Bill | Buying<br>T/T | Selling<br>T/T |
|-------------------------|------------|---------------|----------------|
| USD/THB                 | 32.20      | 32.30         | 32.60          |
| EUR/THB                 | 37.73      | 37.78         | 38.54          |
| GBP/THB                 | 43.78      | 43.86         | 44.77          |
| JPY/THB                 | 0.220      | 0.221         | 0.229          |

**KBank SWAP Point Rates:**

| Premium/Discount (1M) as of 04-Jul-25<br>Export/Import |
|--|
| -8.45 / -5.5   |
| -12.05 / 10.47   |
| -20.27 / 10.54   |
| 0.0249 / 19.6943                                       |

**Market Summary:**

| US Markets                   | 3-Jul-25  | 2-Jul-25  | Change |
|------------------------------|-----------|-----------|--------|
| Dow Jones                    | 44,828.53 | 44,484.42 | 0.8%   |
| S&P 500                      | 6,279.35  | 6,227.42  | 0.8%   |
| Treasury Yield 2yr note (%)  | 3.88      | 3.78      | 10 bps |
| Treasury Yield 10yr note (%) | 4.35      | 4.28      | 7 bps  |

| European Markets         | 3-Jul-25 | 2-Jul-25 | Change |
|--------------------------|----------|----------|--------|
| Germany (DAX)            | 23,934   | 23,790   | 0.6%   |
| France (CAC 40)          | 7,755    | 7,738    | 0.2%   |
| UK (FTSE 100)            | 8,823    | 8,775    | 0.6%   |
| Bund Yield 2yr note (%)  | 1.83     | 1.86     | -3 bps |
| Bund Yield 10yr note (%) | 2.62     | 2.66     | -5 bps |

| Thai Markets            | 3-Jul-25 | 2-Jul-25 | Change |
|-------------------------|----------|----------|--------|
| SET                     | 1,127.21 | 1,115.69 | 1%     |
| TGB Yield 2yr note (%)  | 1.41     | 1.39     | 2 bps  |
| TGB Yield 5yr note (%)  | 1.45     | 1.39     | 5 bps  |
| TGB Yield 10yr note (%) | 1.61     | 1.59     | 2 bps  |

| Money Markets | 3-Jul-25 | 2-Jul-25 |
|---------------|----------|----------|
| THOR          | 3-Jul-25 | 2-Jul-25 |
| O/N           | 1.74588  | 1.74555  |
| 1M            | 1.74575  | 1.74567  |
| 3M            | 1.82180  | 1.82448  |
| 6M            | 1.98975  | 1.99252  |
| BIBOR         | 3-Jul-25 | 2-Jul-25 |
| 1M            | 1.79274  | 1.79379  |
| 3M            | 1.88694  | 1.88815  |
| 6M            | 1.92628  | 1.92887  |

| Foreign capital flows | 3-Jul-25 | 2-Jul-25 |
|-----------------------|----------|----------|
| Thai Bonds (M THB)    | 2,082    | 232      |
| Thai Stocks (M THB)   | -63      | -680     |

| Commodities           | 3-Jul-25 | change |
|-----------------------|----------|--------|
| WTI Crude (USD/bbl)   | 67.0     | -0.67% |
| Dubai Fateh (USD/bbl) | 69.6     | 1.77%  |
| Gold (USD/ounce)      | 3,334.0  | -0.44% |

| FX Markets | Morning<br>Spot | Closing rates |          | Daily<br>% Change | Consensus<br>End-2025 |
|------------|-----------------|---------------|----------|-------------------|-----------------------|
|            |                 | 3-Jul-25      | 2-Jul-25 |                   |                       |
| USD/THB**  | 32.44           | 32.44         | 32.35    | 0.29%             | 33.70                 |
| EUR/USD    | 1.176           | 1.175         | 1.179    | -0.31%            | 1.17                  |
| USD/JPY    | 144.75          | 145.05        | 143.74   | 0.91%             | 140.0                 |
| GBP/USD    | 1.365           | 1.365         | 1.363    | 0.15%             | 1.36                  |
| USD/CNY    | 7.169           | 7.171         | 7.163    | 0.1%              | 7.15                  |
| USD/SGD    | 1.275           | 1.275         | 1.273    | 0.15%             | 1.29                  |
| USD/IDR    | 16,198          | 16,198        | 16,242   | -0.27%            | 16,200                |
| USD/MYR    | 4.232           | 4.222         | 4.226    | -0.11%            | 4.23                  |
| USD/PHP    | 56.50           | 56.24         | 56.38    | -0.24%            | 55.80                 |
| USD/KRW    | 1,367           | 1,365         | 1,356    | 0.62%             | 1,360                 |
| USD/NTD    | 28.80           | 28.81         | 29.00    | -0.64%            | 29.50                 |
| AUD/USD    | 0.6572          | 0.6571        | 0.6574   | -0.05%            | 0.6700                |
| USD/CHF    | 0.7947          | 0.7955        | 0.7919   | 0.45%             | 0.81                  |
| USD/MND    | 26208           | 26202         | 26157    | 0.17%             | 26200                 |
| JPY/THB    | 22.41           | 22.37         | 22.51    | -0.61%            | 24.07                 |
| EUR/THB    | 38.16           | 38.13         | 38.14    | -0.02%            | 39.43                 |
| GBP/THB    | 44.30           | 44.29         | 44.09    | 0.44%             | 45.83                 |
| CNY/THB    | 4.53            | 4.52          | 4.52     | 0.19%             | 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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