

# KBank

## Daily Update

6 March 2026

### Dollar continues to rise as Middle East tension escalates

**Market summary:** US dollar closed stronger while bond yields increased amid inflation concerns and expectations that the Fed may cut rates fewer than two times this year. Iran launched missiles and drones toward Gulf countries. Trump stated that he should be involved in selecting Iran's next leader. US initial jobless claims remained steady last week, below expectations. China set this year's GDP growth target at 4.5–5.0%, the lowest since 1991. Japan's RENO demand an average wage increase of 5.94% this year. Thailand's inflation in February at the lowest level in 25 months.

**Factors to watch:** US retail sales and nonfarm payroll (Fri)

**USD/THB:** Open 31.71, Support 31.60 Resistance 31.90

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### Macro update

- **The US dollar closed stronger by about 0.6%**, while **bond yields increased**, with the **10-year yield rising 4 bps to 4.14%**. This was driven by **concerns about higher inflation due to rising oil prices and expectations that the Fed may cut interest rates fewer than two times this year**. Meanwhile, tensions in the Middle East have intensified **after Iran launched missiles and drones toward Gulf countries including the UAE, Bahrain, Qatar, and Kuwait yesterday**.
- **The Islamic Revolutionary Guard Corps (IRGC), the most powerful military organization in Iran, announced that retaliatory attacks will become more severe in the coming days**. Meanwhile, **Trump stated that he should be involved in selecting Iran's next leader** and expressed opposition to the possibility of the former leader's son taking the position. He also declared that the US has unlimited weapons.
- In addition, **the conflict may broaden after NATO increased its missile defense level and heightened surveillance for potential attacks on member states, such as Turkey**, following reports that Iranian missiles had headed toward Turkish airspace but were intercepted by NATO defense systems. NATO also stated that Article 5—which considers an attack on one member as an attack on all—will not yet be invoked.
- **Oil prices continued to rise, reaching their highest level since July 2024**. WTI surged nearly 9% to above USD 81 per barrel due to escalating tensions. In addition, **China announced a suspension of diesel and gasoline exports**. However, prices later eased to close at USD 79.69 per barrel after the Trump administration said it would seek measures to address high domestic oil prices.
- Regarding US economic data, **initial jobless claims remained steady at 213k last week, close to the lowest level seen last year and contrary to expectations of an increase to 215k**. Meanwhile, **markets are closely watching the February nonfarm payroll report, which will be released tonight**. Employment is expected to increase by 55k, slowing from 130k in the previous month, while the unemployment rate is projected to remain steady at 4.3%. **Fed Governor Bowman**

- **noted that the labor market remains relatively stable**, while the Fed continues to focus on inflation.
- **The Japanese yen closed weaker at 157.59 per US dollar**, amid a stronger dollar and higher oil prices. Meanwhile, **RENGO, Japan's largest labor union federation, stated that it is seeking an average wage increase of 5.94% this year**, compared with 5.25% last year. Preliminary wage negotiation results are expected to be announced on March 23, following the Bank of Japan (BOJ) meeting on March 18–19. Wage growth is considered a key factor in the BOJ's decision on interest rate hikes, with markets currently expecting a rate increase at the June meeting.
- **The Chinese yuan closed 0.2% weaker, above 6.9 yuan per US dollar, due to broad US dollar strength, despite the PBOC setting a stronger daily reference rate than the market had expected.** The Chinese government set this year's GDP growth target at 4.5–5.0%, the lowest since 1991, which may provide room for structural reforms—particularly reducing excess production capacity. Authorities emphasized maintaining stability and preserving policy stimulus for use, when necessary, amid heightened economic uncertainty.
- **The euro closed 0.2% weaker at 1.1609 US dollar per euro**, as the ECB expressed increasing concern about the risk of rising inflation if the war becomes prolonged. Markets are now assigning greater probability that the ECB may need to raise interest rates again later this year.
- **The Thai baht closed 0.5% weaker against the US dollar and continued to weaken this morning**, reflecting broad dollar strength. Gold prices fell yesterday, while there were significant outflows from the equity market and slight inflows into the bond market. **Thailand's headline inflation in February contracted by 0.88%YoY, the lowest level in 25 months and below the market expectation of -0.60%YoY**, following -0.66%YoY in the previous month. This marked the 11th consecutive month of contraction, mainly due to declining energy prices. Meanwhile, **core inflation eased slightly to 0.56% YoY, though it came above market expectations of 0.51% YoY**, compared with 0.60% YoY in the previous month.

## KBank Counter rates:

as of 06-Mar-26 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	31.51	31.61	31.91
EUR/THB	36.43	36.47	37.24
GBP/THB	41.90	41.97	42.88
JPY/THB	0.197	0.198	0.206

## KBank SWAP Point Rates:

Premium/Discount (1M) as of 06-Mar-26
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

## Market Summary:

US Markets	5-Mar-26	4-Mar-26	Change
Dow Jones	47,954.74	48,739.41	-1.6% ↓
S&P 500	6,830.71	6,869.50	-0.6% ↓
Treasury Yield 2yr note (%)	3.58	3.55	3 bps ↑
Treasury Yield 10yr note (%)	4.14	4.10	4 bps ↑

Money Markets	5-Mar-26	4-Mar-26
THOR		
O/N	0.99642	0.99264 →
1M	1.17288	1.18184 ↓
3M	1.25885	1.26177 →
6M	1.37966	1.38244 →
BIBOR		
1M	1.05000	1.05000 →
3M	1.14994	1.14965 →
6M	1.20408	1.20428 →

European Markets	5-Mar-26	4-Mar-26	Change
Germany (DAX)	23,816	24,205	-1.6% ↓
France (CAC 40)	8,046	8,168	-1.5% ↓
UK (FTSE 100)	10,414	10,568	-1.5% ↓
Bund Yield 2yr note (%)	2.24	2.13	11 bps ↑
Bund Yield 10yr note (%)	2.84	2.75	9 bps ↑

Foreign capital flows	5-Mar-26	4-Mar-26
Thai Bonds (M THB)	492	1,331 ↓
Thai Stocks (M THB)	-7,208	1,023 ↓

Thai Markets	5-Mar-26	4-Mar-26	Change
SET	1,417.29	1,384.61	2.4% ↑
TGB Yield 2yr note (%)	1.11	1.12	-2 bps ↓
TGB Yield 5yr note (%)	1.31	1.31	0 bps →
TGB Yield 10yr note (%)	1.86	1.88	-2 bps ↓

Commodities	5-Mar-26	change
WTI Crude (USD/bbl)	81.0	8.51% ↑
Dubai Fateh (USD/bbl)	77.4	-1.24% ↓
Gold (USD/ounce)	5,063.1	-1.52% ↓

Markets	Morning Spot	Closing rates		Daily % Change	Consensus End-2026
		5-Mar-26	4-Mar-26		
USD/THB**	31.71	31.60	31.44	0.48% ↑	32.80
EUR/USD	1.161	1.159	1.163	-0.39% ↓	1.17
USD/JPY	157.54	157.69	156.98	0.45% ↑	150.0
GBP/USD	1.336	1.333	1.336	-0.23% ↓	1.33
USD/CNY	6.911	6.911	6.897	0.21% ↑	7.10
USD/SGD	1.280	1.281	1.275	0.49% ↑	1.29
USD/IDR	16,883	16,883	16,885	-0.01% ↓	16,600
USD/MYR	3.947	3.945	3.944	0.03% ↑	4.18
USD/PHP	58.80	58.61	58.59	0.03% ↑	58.50
USD/KRW	1,478	1,483	1,463	1.34% ↑	1,410
USD/NTD	31.79	31.71	31.71	-0.01% ↓	30.50
AUD/USD	0.7020	0.6984	0.7071	-1.23% ↓	0.6600
USD/CHF	0.7808	0.7824	0.7799	0.32% ↑	0.80
USD/MND	26189	26209	26212	-0.01% ↓	26400
JPY/THB	20.13	20.04	20.03	0.03% ↑	21.87
EUR/THB	36.82	36.61	36.58	0.09% ↑	38.38
GBP/THB	42.37	42.12	42.01	0.25% ↑	43.62
CNY/THB	4.59	4.57	4.56	0.28% ↑	4.62

\*\*\*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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