

KBank

Daily Update

7 August 2025

Trump to appoint a temporary Fed governor in 2–3 days

Market summary: Trump is set to appoint an interim Fed governor within the next 2–3 days to replace Dr. Kugler, with most candidates reportedly coming from Wall Street. Neel Kashkari, President of the Minneapolis Fed, stated that the U.S. economy is starting to slow and it may soon be time to cut interest rates. Meanwhile, the Reserve Bank of India kept rates unchanged as expected to maintain rupee stability, despite risks from U.S. tariff measures. Thailand's headline inflation in July stood at -0.7% YoY, contracting more than market expectations.

Factors to watch: China exports, BOE meeting (Thu)

USD/THB: Open 32.34, Support 32.20, Resistance 32.45

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Macro update

- **The US dollar closed the day weaker, around 98.2.** Trump announced plans to appoint an interim Federal Reserve governor within 2–3 days to replace Dr. Kugler, who is stepping down. He noted that most candidates are from Wall Street, which may lead to more market- and business-friendly monetary policy, potentially including rate cuts to stimulate growth. **Meanwhile, Kevin Warsh, a former Fed governor (2006–2011),** is seen as aligned with Trump's outlook, favoring a positive economic view and advocating for policy adaptation. **Kevin Hassett, former Chairman of the Council of Economic Advisers** and a supporter of monetary easing, **is also a top contender for the next Fed Chair.**
- **Minneapolis Fed President Neel Kashkari stated that the US economy is slowing and that it may soon be time to cut rates,** projecting two cuts this year. However, he warned that the effects of the new tariff measures remain uncertain and could impact inflation—an important factor for policy decisions. The latest weaker-than-expected employment data may push the Fed to act sooner.
- **US mortgage applications rose 3.1% WoW in the week ending August 1, rebounding from a -3.8% decline the previous week.** Applications for home purchases and refinancing increased by 1.5% and 5.2%, respectively, while the average 30-year mortgage rate edged down slightly to 6.77%.
- **The Japanese yen weakened to around 147.50 per US dollar,** while **Prime Minister Ishiba continues to face internal pressure to resign following his party's loss in the upper house elections.** Friday's party conference could prove decisive for his political future. Although Ishiba insists he will not resign, pressure within the party is mounting, and public support remains divided.
- **The Reserve Bank of India kept its policy rate at 5.5% to stabilize the rupee,** despite growth risks stemming from the US's plan to double tariffs to pressure India to stop buying Russian oil. The central bank lowered its inflation forecast for 2025–2026 while maintaining its GDP projection and is expected to cut rates by another 50bps in Q4 to support the economy.

- **Thai baht closed steady at 32.40 per US dollar.** Thailand’s headline inflation in July contracted **-0.7% YoY**, more than the market’s -0.4%YoY expectation, marking the fourth consecutive monthly decline, largely due to falling energy prices. Core inflation was 0.84%YoY, also below expectations and slower than the previous month. **The Ministry of Commerce maintained its 2025 inflation forecast at 0.0–1.0%.**

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 07-Aug-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.08	32.18	32.48
EUR/THB	37.23	37.27	38.03
GBP/THB	42.60	42.68	43.59
JPY/THB	0.215	0.216	0.223

KBank SWAP Point Rates:

Premium/Discount (1M) as of 07-Aug-25
Export/Import
-9.5 / -7.25
-10.54 / 12.07
-19.99 / 10.99
-3.1865 / 16.497

Market Summary:

US Markets	6-Aug-25	5-Aug-25	Change
Dow Jones	44,193.12	44,111.74	0.2%
S&P 500	6,345.06	6,299.19	0.7%
Treasury Yield 2yr note (%)	3.71	3.72	-1 bps
Treasury Yield 10yr note (%)	4.23	4.21	2 bps

European Markets	6-Aug-25	5-Aug-25	Change
Germany (DAX)	23,924	23,846	0.3%
France (CAC 40)	7,635	7,621	0.2%
UK (FTSE 100)	9,164	9,143	0.2%
Bund Yield 2yr note (%)	1.92	1.91	1 bps
Bund Yield 10yr note (%)	2.65	2.62	3 bps

Thai Markets	6-Aug-25	5-Aug-25	Change
SET	1,264.47	1,246.96	1.4%
TGB Yield 2yr note (%)	1.25	1.26	-1 bps
TGB Yield 5yr note (%)	1.28	1.29	-1 bps
TGB Yield 10yr note (%)	1.47	1.48	-1 bps

Money Markets

	6-Aug-25	5-Aug-25
THOR		
O/N	1.74541	1.74515
1M	1.74537	1.74529
3M	1.74781	1.74802
6M	1.89500	1.89778
BIBOR	6-Aug-25	5-Aug-25
1M	1.79217	1.79187
3M	1.88694	1.88670
6M	1.91553	1.91536

Foreign capital flows	6-Aug-25	5-Aug-25
Thai Bonds (M THB)	-2,563	642
Thai Stocks (M THB)	1,977	2,059

Commodities	6-Aug-25	change
WTI Crude (USD/bbl)	64.4	-1.24%
Dubai Fateh (USD/bbl)	69.4	0.98%
Gold (USD/ounce)	3,369.3	-0.33%

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		6-Aug-25	5-Aug-25			
USD/THB**	32.34	32.40	32.38	0.06%		33.70
EUR/USD	1.166	1.166	1.158	0.73%		1.18
USD/JPY	147.32	147.37	147.62	-0.17%		142.0
GBP/USD	1.335	1.336	1.330	0.44%		1.36
USD/CNY	7.182	7.182	7.184	-0.02%		7.15
USD/SGD	1.285	1.286	1.288	-0.18%		1.27
USD/IDR	16,363	16,363	16,381	-0.11%		16,200
USD/MYR	4.222	4.230	4.228	0.03%		4.21
USD/PHP	57.51	57.51	57.65	-0.25%		56.30
USD/KRW	1,386	1,386	1,386	-0.03%		1,365
USD/NTD	29.98	29.98	29.92	0.21%		29.30
AUD/USD	0.6499	0.6503	0.6473	0.46%		0.6600
USD/CHF	0.8064	0.8063	0.8076	-0.16%		0.81
USD/VND	26236	26234	26233	0%		26200
JPY/THB	21.95	21.99	21.94	0.23%		23.73
EUR/THB	37.70	37.78	37.48	0.8%		39.77
GBP/THB	43.18	43.28	43.06	0.5%		45.83
CNY/THB	4.50	4.51	4.51	0.09%		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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