

KBank

Daily Update

7 July 2025

Thailand would reduce tariffs and non-tariff barriers for the US

Market summary: Trump announced that he would send letters to 12 countries to notify them of new tariffs. Bessent stated that countries which do not reach trade agreements with the US by the end of the grace period on July 9 will face the tariff rates announced back in April. Thai Finance Minister disclosed ongoing negotiations to persuade the US to lower import tariffs on Thai goods to 10%. In return, Thailand would reduce tariffs and non-tariff barriers for the US and aims to cut its trade surplus with the US by 70% within five years.

Factors to watch: Thai CPI (Mon), RBA meeting (Tue) China CPI, PPI and new yuan loan, RBNZ meeting, FOMC minutes (Wed) BOK meeting (Thu) UK GDP (Fri)

USD/THB: Open 32.40, Support 32.30, Resistance 32.55

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Macro update

- **The US dollar index edged lower on Friday**, which was the US Independence Day holiday. Meanwhile, **Trump announced that he would send letters to 12 countries to notify them of new tariffs. Bessent also stated that countries which do not reach trade agreements with the US by the end of the grace period on July 9 will face the tariff rates announced back in April.** Additionally, the US is preparing to implement export restrictions on chips to Malaysia and Thailand due to concerns over China.
- **Carmakers are pushing for a trade agreement between the US and the EU**, as failure to reach a deal before July 9 would result in car tariffs soaring to over 50%.
- **ECB members signaled satisfaction with current interest rate levels.** Christine Lagarde stated that interest rates are at an appropriate level, and the ECB remains focused on its inflation target. François Villeroy agreed that both interest rates and inflation in Europe are at suitable levels but highlighted the need to monitor currency volatility. Joachim Nagel added that there is no reason to cut rates at this point.
- **China has imposed restrictions on the import of medical products from Europe** worth around 45 million yuan starting July 6. It also raised tariffs on European brandy in retaliation against the EU's tariffs on Chinese electric vehicles and procurement barriers for Chinese medical device manufacturers, amid escalating trade tensions between the two major economies.
- **OPEC+ agreed to increase oil production by 550,000 barrels per day in August**, taking into account the stagnant economic conditions and declining oil inventories.
- **Japan's wages rose by 1.0%YoY in May, below the forecast** of 2.3%YoY and the previous month's 2.0%YoY. Meanwhile, real wages contracted by -2.9%YoY, the sharpest drop since 2023 and worse than the forecast of -1.7%YoY, down from -2.0%YoY the previous month.
- **Vietnam set a record-low dong exchange rate at 25,116 dong/USD on Friday** after reaching a trade agreement with the US. **Vietnam will reduce import tariffs on US**

- **goods to 0%**, while the US will lower import tariffs on Vietnamese goods from 46% to 20%. For transshipped goods, a 40% tariff will apply.
- **The Thai baht closed slightly stronger on Friday** amid capital outflows from both the Thai bond and stock markets. The Ministry of Commerce has yet to finalise trade talks with the US. **Deputy Prime Minister and Finance Minister Pichai Chunhavajira recently disclosed ongoing negotiations to persuade the US to lower import tariffs on Thai goods to 10%. In return, Thailand would reduce tariffs and non-tariff barriers for the US and aims to cut its trade surplus with the US by 70% within five years, with a target to achieve full trade balance in 7–8 years.**

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-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.25	32.35	32.65
EUR/THB	37.82	37.87	38.62
GBP/THB	43.79	43.87	44.76
JPY/THB	0.221	0.222	0.230

KBank SWAP Point Rates:

Premium/Discount (1M) as of 07-Jul-25
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	4-Jul-25	3-Jul-25	Change
Germany (DAX)	23,787	23,934	-0.6%
France (CAC 40)	7,696	7,755	-0.8%
UK (FTSE 100)	8,823	8,823	0%
Bund Yield 2yr note (%)	1.82	1.83	-2 bps
Bund Yield 10yr note (%)	2.61	2.62	-1 bps
Thai Markets	4-Jul-25	3-Jul-25	Change
SET	1,119.94	1,127.21	-0.6%
TGB Yield 2yr note (%)	1.42	1.41	0 bps
TGB Yield 5yr note (%)	1.45	1.45	0 bps
TGB Yield 10yr note (%)	1.60	1.61	0 bps

Money Markets

	4-Jul-25	3-Jul-25
THOR		
O/N	1.73990	1.74588
1M	1.74583	1.74575
3M	1.81913	1.82180
6M	1.98851	1.98975
BIBOR	4-Jul-25	3-Jul-25
1M	1.79268	1.79274
3M	1.88710	1.88694
6M	1.92584	1.92628

Foreign capital flows

	4-Jul-25	3-Jul-25
Thai Bonds (M THB)	-1,477	2,082
Thai Stocks (M THB)	-2,338	-63

Commodities

	4-Jul-25	change
WTI Crude (USD/bbl)	67.0	-0.67%
Dubai Fateh (USD/bbl)	68.4	-1.62%
Gold (USD/ounce)	3,337.2	0.33%

FX Markets

	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		4-Jul-25	3-Jul-25			
USD/THB**	32.40	32.36	32.38	-0.06%		33.70
EUR/USD	1.178	1.178	1.176	0.18%		1.17
USD/JPY	144.42	144.47	144.93	-0.32%		140.0
GBP/USD	1.365	1.365	1.366	-0.04%		1.36
USD/CNY	7.166	7.166	7.171	-0.07%		7.15
USD/SGD	1.274	1.274	1.275	-0.09%		1.28
USD/IDR	16,185	16,185	16,198	-0.08%		16,190
USD/MYR	4.224	4.223	4.222	0.02%		4.23
USD/PHP	56.43	56.43	56.24	0.33%		55.80
USD/KRW	1,364	1,363	1,365	-0.11%		1,360
USD/NTD	28.92	28.92	28.81	0.37%		29.40
AUD/USD	0.6544	0.6556	0.6571	-0.23%		0.6700
USD/CHF	0.7938	0.7940	0.7951	-0.14%		0.81
USD/VND	26188	26180	26202	-0.08%		26200
JPY/THB	22.43	22.40	22.34	0.26%		24.07
EUR/THB	38.17	38.11	38.06	0.12%		39.43
GBP/THB	44.22	44.17	44.21	-0.09%		45.83
CNY/THB	4.52	4.52	4.51	0.01%		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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