

KBank

Daily Update

8 July 2025

Trump announced new import tariffs on several countries

Market summary: Trump announced an increase in import tariffs on Japan to 25%, with the EU possibly facing rates as high as 50%, while Thailand remains unchanged at 36%. Meanwhile, some neighboring countries saw reductions. Eurozone retail sales in May fell more than expected. Thailand's Consumer Price Index declined for a third consecutive month in June, dropping more than market forecasts.

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

USD/THB: Open 32.63, Support 32.45, Resistance 32.70

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Macro update

- **The U.S. dollar index strengthened** after Trump announced new import tariffs on several countries — Japan's rate was raised to 25% from 24%, and the EU could face up to 50% from 20%. **Thailand remains unchanged at 36%, while some neighboring countries saw reductions:** Cambodia to 36% from 49%, Myanmar to 40% from 48%, and Vietnam to 20% from 46% after signing a deal. **Trump left room for negotiations, saying the measures are not yet "100% final" and postponed implementation to August 1.** However, he warned that any retaliatory tariffs would be met with equal hikes and threatened a 10% import tax on countries supporting anti-U.S. policies, such as the BRICS bloc. **These tariff measures are currently facing legal challenges, with a hearing set for July 31.**
- Meanwhile, the **EU is negotiating to cap tariffs at 10%** before the August 1 deadline, while **India has submitted its final offer**, refusing to open its agriculture, dairy, and auto sectors to the U.S.
- Asian and European currencies faced pressure from the U.S. tariff news. The **Japanese yen depreciated by about -1.1% against the dollar yesterday**, while **the euro weakened -0.6%, closing at 1.171 US dollar per euro.**
- **Eurozone retail sales for May fell more than expected, down -0.7% MoM (vs -0.6% forecast)**, after rising 0.3% in April. On a yearly basis, sales grew 1.8% YoY, higher than the 1.4% forecast but slower than April's 2.7%, indicating household consumption has not fully recovered. **ECB member Centeno commented that the main risk is inflation staying below the 2% target, with eurozone economic conditions still weak** — potentially putting further downward pressure on the euro. However, it remains uncertain when and how much further cuts will occur.
- **The Thai baht weakened by -0.7% to 32.58 per U.S. dollar**, despite minor capital inflows into stocks and bonds. **Thailand's CPI declined for the third straight month in June, falling -0.25% YoY**, more than the market's -0.1% forecast, mainly due to lower global oil prices and state subsidies on electricity. Despite the negative headline inflation, authorities insist Thailand is not facing deflation, as many other product prices are still rising. **Core inflation (excluding food and energy) rose 1.06% YoY, close to May's 1.09%.** The Ministry of Commerce expects inflation to remain negative in Q3 but turn positive in the final quarter of the year.

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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”.



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 08-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.33	32.43	32.73
EUR/THB	37.78	37.83	38.58
GBP/THB	43.84	43.91	44.83
JPY/THB	0.218	0.219	0.227

KBANK SWAP Point Rates:

Premium/Discount (1M) as of 08-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

Market Summary:

US Markets	7-Jul-25	3-Jul-25	Change
Dow Jones	44,406.36	44,828.53	-0.9% ↓
S&P 500	6,229.98	6,279.35	-0.8% ↓
Treasury Yield 2yr note (%)	3.89	3.88	1 bps ↑
Treasury Yield 10yr note (%)	4.38	4.35	3 bps ↑

European Markets	7-Jul-25	4-Jul-25	Change
Germany (DAX)	24,074	23,787	1.2% ↑
France (CAC 40)	7,723	7,696	0.4% ↑
UK (FTSE 100)	8,807	8,823	-0.2% ↓
Bund Yield 2yr note (%)	1.84	1.82	2 bps ↑
Bund Yield 10yr note (%)	2.64	2.61	4 bps ↑

Thai Markets	7-Jul-25	4-Jul-25	Change
SET	1,123.00	1,119.94	0.3% ↑
TGB Yield 2yr note (%)	1.40	1.42	-2 bps ↓
TGB Yield 5yr note (%)	1.43	1.45	-2 bps ↓
TGB Yield 10yr note (%)	1.58	1.60	-2 bps ↓

Money Markets

	7-Jul-25	4-Jul-25
THOR		
O/N	1.74227	1.73990 →
1M	1.74539	1.74583 →
3M	1.81685	1.81913 →
6M	1.97859	1.98851 ↓
BIBOR	7-Jul-25	4-Jul-25
1M	1.79270	1.79268 →
3M	1.88710	1.88710 →
6M	1.92420	1.92584 →

Foreign capital flows	7-Jul-25	4-Jul-25
Thai Bonds (M THB)	830	-1,477 ↑
Thai Stocks (M THB)	574	-2,338 ↑

Commodities	7-Jul-25	change
WTI Crude (USD/bbl)	67.9	1.39% ↑
Dubai Fateh (USD/bbl)	68.9	0.67% ↑
Gold (USD/ounce)	3,336.5	-0.02% →

FX Markets	Morning Spot	Closing rates		Daily % Change	Consensus End-2025
		7-Jul-25	4-Jul-25		
USD/THB**	32.63	32.58	32.36	0.69% ↑	33.70
EUR/USD	1.175	1.171	1.178	-0.59% ↓	1.17
USD/JPY	145.96	146.05	144.47	1.09% ↑	140.0
GBP/USD	1.363	1.360	1.365	-0.35% ↓	1.37
USD/CNY	7.176	7.176	7.166	0.15% ↑	7.15
USD/SGD	1.278	1.280	1.274	0.44% ↑	1.28
USD/IDR	16,230	16,230	16,185	0.28% ↑	16,190
USD/MYR	4.247	4.239	4.223	0.38% ↑	4.23
USD/PHP	56.70	56.70	56.43	0.49% ↑	55.80
USD/KRW	1,369	1,378	1,363	1.08% ↑	1,355
USD/NTD	29.04	29.04	28.92	0.41% ↑	29.40
AUD/USD	0.6515	0.6491	0.6556	-0.99% ↓	0.6700
USD/CHF	0.7967	0.7983	0.7940	0.54% ↑	0.81
USD/VND	26145	26145	26180	-0.13% ↓	26200
JPY/THB	22.36	22.31	22.40	-0.4% ↓	24.07
EUR/THB	38.33	38.15	38.11	0.1% ↑	39.43
GBP/THB	44.48	44.32	44.17	0.34% ↑	46.17
CNY/THB	4.55	4.54	4.52	0.54% ↑	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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