

# KBank

## Daily Update

9 July 2025

### Trump is preparing to send a letter to the EU for new tariff rate

**Market summary:** Concerns over tariffs have eased as markets see room for further negotiations, while repeated deadline extensions have reduced Trump's credibility. US and Japanese bond yields rose on selling pressure amid worries Japan may boost debt issuance ahead of elections. The Reserve Bank of Australia unexpectedly held rates steady. The Thai government confirmed that it has submitted a trade proposal to US, although the final tariff rate remains uncertain. Kasikorn Research warns GDP may drop below 1.4% if tariffs higher than peers.

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

**USD/THB:** Open 32.57, Support 32.45, Resistance 32.75

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### Macro update

- **The U.S. dollar index strengthened** while U.S. equities stabilized as concerns over Trump's tariff policy began to ease, with markets seeing room for further negotiations. Multiple deadline extensions have also reduced market confidence in Trump's stance. **Meanwhile, Trump is preparing to send a letter to the EU outlining new tariff rates following progress in trade talks**, potentially proposing to maintain a 10% base tariff with some sectoral exemptions, **which pushed the euro up by 0.14%**. However, Trump remains dissatisfied with the trade deficit and the EU's digital services tax, which affects U.S. tech firms.
- **The U.S. NFIB Small Business Optimism Index dipped slightly in June to 98.6 from 98.8**, reflecting weaker economic and sales outlooks. Most businesses are not increasing inventories despite recognizing low stock levels. Taxes remain a key concern, while sales worries are rising and labor shortages persist. **A New York Fed survey showed 1-year inflation expectations dropped to 3.02% from 3.20%**, with job loss fears at their lowest since December and concerns over the ability to meet minimum debt payments in the next 3 months falling to 12.0%. Meanwhile, expectations for government debt growth rose to 7.3%, the highest since October.
- **U.S. and Japanese bond yields climbed due to selling pressure amid concerns Japan may ramp up debt issuance to stimulate the economy ahead of its July 20 election.** The U.S. 10-year yield rose 5bps, with the 30-year nearing 5%, while Japan's 30-year yield broke above 3%. Investors began avoiding longer-term bonds due to rising rate and supply risks. In contrast, Chinese bonds gained support from upcoming inflation data expected to confirm ongoing deflation. Markets also closely watched the U.S. budget, Trump's tax policy, and **the Fed's rate cut outlook—now reduced to two cuts this year from a previous three.**
- **The Australian dollar rose 0.6%** after the RBA unexpectedly held rates at 3.85%, citing the need for more data and readiness to respond to global risks. **The RBNZ is also expected to pause today after six cuts**, as stronger-than-expected Q1 GDP and lingering inflation allow room to wait before easing further.
- **The Thai baht closed 0.14% stronger at 32.53 per US dollar**, despite capital outflows from the bond market, partially offset by modest inflows into equities. **The Thai government confirmed that it has submitted a trade proposal to the US,**

- **although the final tariff rate remains uncertain.** A contingency budget of 50 billion baht from the economic stimulus package has been set aside to support affected businesses.
- **Kasikorn Research warns Thailand’s GDP could dip below 1.4% if higher US tariffs hurt exports and investment,** with added risks from weak tourism and political uncertainty. GDP forecasts will be reassessed after key trade talks in August.

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 09-Jul-25 Round 1	Sight Bill	Buying T/T	Selling T/T
USD/THB	32.39	32.49	32.79
EUR/THB	37.79	37.84	38.60
GBP/THB	43.78	43.85	44.74
JPY/THB	0.218	0.219	0.226

## KBank SWAP Point Rates:

Premium/Discount (1M) as of 09-Jul-25
Export/Import
-8.45 / -5.5
-12.05 / 10.47
-20.27 / 10.54
0.0249 / 19.6943

## Market Summary:

US Markets	8-Jul-25	7-Jul-25	Change
Dow Jones	44,240.76	44,406.36	-0.4% ↓
S&P 500	6,225.52	6,229.98	-0.1% ↓
Treasury Yield 2yr note (%)	3.89	3.89	0 bps →
Treasury Yield 10yr note (%)	4.40	4.38	2 bps ↑

European Markets	8-Jul-25	7-Jul-25	Change
Germany (DAX)	24,207	24,074	0.6% ↑
France (CAC 40)	7,767	7,723	0.6% ↑
UK (FTSE 100)	8,854	8,807	0.5% ↑
Bund Yield 2yr note (%)	1.87	1.84	4 bps ↑
Bund Yield 10yr note (%)	2.69	2.64	4 bps ↑

Thai Markets	8-Jul-25	7-Jul-25	Change
SET	1,115.65	1,123.00	-0.7% ↓
TGB Yield 2yr note (%)	1.37	1.40	-3 bps ↓
TGB Yield 5yr note (%)	1.41	1.43	-2 bps ↓
TGB Yield 10yr note (%)	1.55	1.58	-3 bps ↓

## Money Markets

	8-Jul-25	7-Jul-25
THOR		
O/N	1.74506	1.74227 →
1M	1.74537	1.74539 →
3M	1.80819	1.81685 ↓
6M	1.97580	1.97859 →
BIBOR	8-Jul-25	7-Jul-25
1M	1.79243	1.79270 →
3M	1.88685	1.88710 →
6M	1.92219	1.92420 →

Foreign capital flows	8-Jul-25	7-Jul-25
Thai Bonds (M THB)	-1,910	830 ↓
Thai Stocks (M THB)	162	574 ↓

Commodities	8-Jul-25	change
WTI Crude (USD/bbl)	68.3	0.59% ↑
Dubai Fateh (USD/bbl)	69.7	1.16% ↑
Gold (USD/ounce)	3,301.9	-1.04% ↓

FX Markets	Morning Spot	Closing rates		Daily % Change		Consensus End-2025
		8-Jul-25	7-Jul-25			
USD/THB**	32.57	32.53	32.58	-0.14%	↓	33.70
EUR/USD	1.172	1.173	1.171	0.14%	↑	1.17
USD/JPY	146.84	146.58	146.05	0.36%	↑	140.0
GBP/USD	1.358	1.359	1.360	-0.07%	↓	1.37
USD/CNY	7.179	7.179	7.176	0.03%	↑	7.15
USD/SGD	1.280	1.280	1.280	-0.02%	↓	1.28
USD/IDR	16,208	16,208	16,230	-0.14%	↓	16,190
USD/MYR	4.249	4.240	4.239	0.04%	↑	4.23
USD/PHP	56.36	56.36	56.70	-0.59%	↓	55.80
USD/KRW	1,374	1,372	1,378	-0.45%	↓	1,355
USD/NTD	29.06	29.06	29.04	0.07%	↑	29.40
AUD/USD	0.6524	0.6530	0.6491	0.6%	↑	0.6700
USD/CHF	0.7964	0.7960	0.7983	-0.29%	↓	0.81
USD/VND	26126	26125	26145	-0.08%	↓	26200
JPY/THB	22.18	22.19	22.31	-0.51%	↓	24.07
EUR/THB	38.18	38.14	38.15	-0.01%	↓	39.43
GBP/THB	44.23	44.22	44.32	-0.22%	↓	46.17
CNY/THB	4.54	4.53	4.54	-0.18%	↓	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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