

KBank

Daily Update

23 July 2024

Biden dropped out and nominates Kamala Harris

Market summary: Biden dropped out from the US Presidential race and nominates Kamala Harris, Vice President instead. CrowdStrike updated its security causing global IT outage on Friday. ECB members gave signal that inflation will return to target at 2% in 2025 but will not commit on rate path. PBOC cut its rates by -10bps to boost the economy along with Xi's plan. Yen fluctuated and gained with speculated intervention from Japanese government.

Factors to watch: US existing home sales (Tue), Manufacturing PMI (Wed), US GDP (Thu) US PCE (Fri)

USD/THB: Open 36.29, Support 36.25, Resistance 36.45

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Macro update

- **The US dollar rose on Friday before slightly dropped on Monday while the stock market is waiting for technology earnings. Biden dropped out from the race and nominates Kamala Harris, Vice President instead.** Harris receives tremendous funding of USD 81 million in 24 hours of her campaign together with support from both Bill and Hilary Clinton and Pelosi. Meanwhile, Trump pledges to end inflation crisis and bring down rates. On Fed front, John William, New York Fed President said that he think r^* or equilibrium real interest rates for US, Eurozone and Canada will be as low as pre-pandemic level.
- On Friday, **CrowdStrike updated its security causing global IT outage** including grounding planes and reducing trading volume.
- **ECB members gave signal that inflation will return to target at 2% in 2025 but will not commit on rate path.** Gabriel Makhlof said that ECB is no rush to make the decision and not determined rate path. Gediminas Simkus said that inflation will be bumpy but converging toward 2% in the second half of 2025 supporting professional forecasters seeing inflation back to target next year. Meanwhile, Peter Kazimir said that the market bet on 2 rate cuts is not totally misplaced but it is not a baseline.
- **PBOC cut its rates by -10bps to boost the economy along with Xi's plan.** PBOC cut 7-day repo rate to 1.7% from 1.8% and cut loan prime rate 1-year and 5-year to 3.35% and 3.85%, respectively from 3.45% and 3.95% previously. Xi Jinping announced plan to restore financial sector by transferring central government income to local in order to make ends meet and fix local government debt.
- **Yen fluctuated and gained with speculated intervention from Japanese government. Yen gained touching 156.30 against the US dollar yesterday before weaken and jumps again this morning.** Meanwhile, BOJ rate path seem to be complicated as BOJ said that consumption has been weakening.
- **Thai baht weakened** as gold tumbled down below USD 2,400 per ounce amid outflows from Thai bond market and inflows to stock market.

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Data Support

Dear Valued Customers,

We would like to invite you to participate in The Asset’s survey of institutional investors regarding “The Asian Local Currency Bond Benchmark Review 2024” as per the following link:



<https://survey.theasset.com/s45d2by?q=S847556>

As always, we thank you for your continued support of our research products and services.

Yours Sincerely,
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KBank Counter rates:

as of 19-Jul-24	Sight Bill	Buying T/T	Selling T/T
USD/THB	36.05	36.15	36.45
EUR/THB	39.07	39.14	39.89
GBP/THB	46.39	46.52	47.40
JPY/THB	0.227	0.228	0.235

KBank SWAP Point Rates:

Premium/Discount (1M) as of 19-Jul-24	Export/Import
-10.45 / -7.25	
-13.27 / 9.5	
-21.24 / 9.88	
-0.4757 / 19.2354	

Market Summary:

US Markets	22-Jul-24	19-Jul-24	Change
Dow Jones	40,415.44	40,287.53	0.3%
S&P 500	5,564.41	5,505.00	1.1%
Treasury Yield 2yr note (%)	4.52	4.51	1 bps
Treasury Yield 10yr note (%)	4.25	4.24	1 bps

European Markets	22-Jul-24	19-Jul-24	Change
Germany (DAX)	18,407	18,172	1.3%
France (CAC 40)	7,622	7,535	1.2%
UK (FTSE 100)	8,199	8,156	0.5%
Bund Yield 2yr note (%)	2.83	2.78	5 bps
Bund Yield 10yr note (%)	2.50	2.47	3 bps

Thai Markets	19-Jul-24	18-Jul-24	Change
SET	1,317	1,325	-0.6%
TGB Yield 2yr note (%)	2.34	2.34	0 bps
TGB Yield 5yr note (%)	2.38	2.37	1 bps
TGB Yield 10yr note (%)	2.63	2.62	1 bps

Money Markets	19-Jul-24	18-Jul-24
THOR		
O/N	2.48869	2.49283
1M	2.49433	2.49438
3M	2.49941	2.49944
6M	2.50803	2.50803
BIBOR		
1M	2.55017	2.55015
3M	2.65122	2.65122
6M	2.70991	2.70997

Foreign capital flows	19-Jul-24	18-Jul-24
Thai Bonds (M THB)	-2,625	-583
Thai Stocks (M THB)	278	1,292

Commodities	22-Jul-24	change
WTI Crude (USD/bbl)	79.8	-0.44%
Dubai Fateh (USD/bbl)	82.5	-2.99%
Gold (USD/ounce)	2,396.6	-0.18%

FX Markets	Morning Spot	Closing rates		Daily %Change	Consensus End-2024
		22-Jul-24	19-Jul-24		
USD/THB**	36.29	36.28	36.28	0%	36.00
EUR/USD	1.089	1.089	1.088	0.08%	1.08
USD/JPY	156.67	157.04	157.48	-0.28%	153.0
GBP/USD	1.293	1.293	1.291	0.15%	1.27
USD/CNY	7.274	7.274	7.270	0.05%	7.24
USD/SGD	1.345	1.346	1.345	0.05%	1.34
USD/IDR	16,220	16,220	16,190	0.19%	16,100
USD/MYR	4.683	4.682	4.686	-0.08%	4.66
USD/PHP	58.42	58.39	58.35	0.06%	58.10
USD/KRW	1,388	1,388	1,391	-0.16%	1,350
USD/NTD	32.80	32.86	32.74	0.35%	32.00
AUD/USD	0.6636	0.6643	0.6685	-0.63%	0.6800
USD/CHF	0.89	0.89	0.89	0.08%	0.91
USD/VND	25336	25336	25333	0.01%	25000
JPY/THB	23.17	23.10	23.04	0.28%	23.53
EUR/THB	39.52	39.51	39.48	0.08%	38.88
GBP/THB	46.92	46.92	46.85	0.15%	45.72
CNY/THB	4.99	4.99	4.99	-0.05%	4.97

***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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