

Dollar surges on hot US PPI, slightly easing rate cut expectations

US PPI surges beyond expectations

The July Producer Price Index (PPI) came in significantly above expectations, with headline prices rising 0.9% month-over-month—well above the 0.2% consensus and the highest forecast of 0.3%. On annual basis, the PPI accelerated to 3.3% from 2.3%, also exceeding the 2.5% estimate and the top-end forecast of 3.0%. Core PPI matched the headline's strength, rising 0.9% on the month (vs. 0.2% expected and 0.0% prior), bringing the annual rate to 3.7%—well above forecasts. The BLS noted that over three-quarters of the increase in final demand came from services, which rose 1.1%, driven in large part by a 2.0% jump in trade services margins. Goods prices also climbed 0.7%.

Fed officials push back on large rate cuts, emphasize data dependence

Fed officials signaled a cautious stance ahead of the September meeting, downplaying the need for a large rate cut. Musalem said inflation is near 3% and tariff effects should fade within 6–9 months, though risks remain. He's taking a meeting-by-meeting approach and sees no justification for a 50bps move. Barkin noted improving business sentiment and early signs of stronger July consumer data, while cautioning it's still early to assess tariff-related supply chain shifts. Daly also dismissed the need for a 50bps cut, warning it could signal undue urgency, and reiterated a gradual path toward policy normalization.

Japan GDP beats forecast despite tariff headwinds

Japan's economy grew faster than expected in the second quarter, with exports holding up well despite U.S. tariff pressures. GDP increased 0.3% quarter-on-quarter, ahead of the 0.1% forecast, while annualized growth reached 1.0%, beating the expected 0.4%. The expansion was driven by a 1.3% rise in business investment, well above the 0.7% consensus, and a modest 0.2% increase in private consumption. Net exports added 0.3 percentage point to overall growth.

UK GDP tops forecast as government spending lifts growth

UK GDP rose 0.3% in Q2, outperforming the 0.1% forecast and easing pressure on Chancellor Rachel Reeves, while making further Bank of England rate cuts less certain. Growth was driven by higher government spending and inventories, offsetting weaker consumer demand and falling business investment.

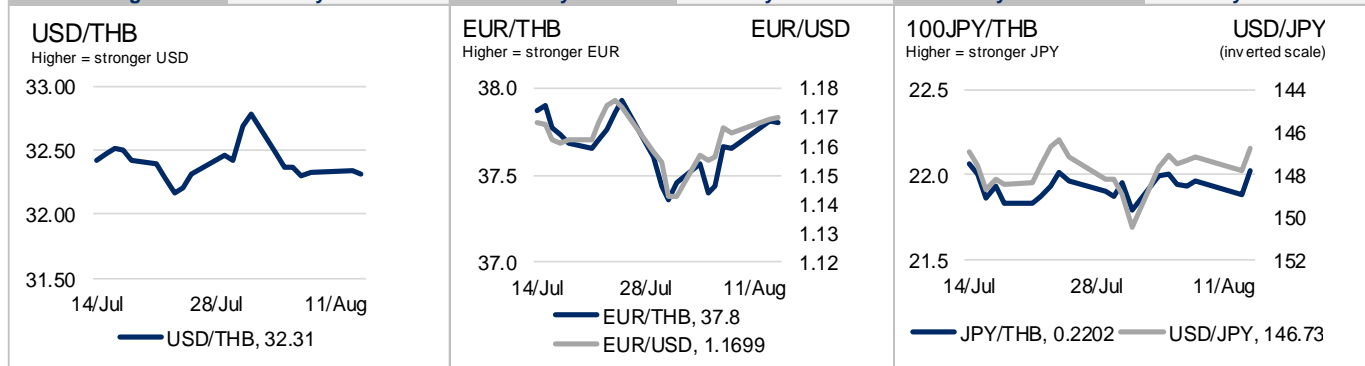
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The 10-year government bond yield (interpolated) on the previous trading day was 1.374, -4.62 bps. The benchmark government bond yield (LB353A) was 1.367, -5.33 bps. Meantime, the latest closed US 10-year bond yields was 4.29, +5.0 bps. USDTHB on the previous trading day closed around 32.31, moving in a range of 32.44 – 32.48 this morning. USDTHB could be closed between 32.35 – 32.60 today. The US dollar gained ground, with the index climbing back above 98.00 following hotter-than-expected PPI data that surpassed all forecasts and led to a partial pullback in expectations for a Fed rate cut. While markets still largely anticipate a 25bps cut in September, it is no longer fully priced in. The euro slipped amid the dollar's rebound, weighed down by mixed EU data and an in-line GDP print. Meanwhile, the Japanese yen weakened, with USD/JPY nearing 148.00, as the hot US PPI widened the yield gap between the US and Japan.

Sources : ttb analytics, Bloomberg, CNBC, Trading economics, Investing, CEIC

SET Index	1,266.7	S&P500	6,468.5	10Y UST	4.29%	Brent	66.84	Gold	3,356.7
14-Aug	▼ -0.8%	14-Aug	▲ 0.03%	14-Aug	▲ 5.0 bps	14-Aug	▲ 1.8%	14-Aug	▼ -0.2%

USD/THB 32.31	Daily ▼ -0.11%	Weekly ▼ -0.19%	Monthly ▼ -0.33%	EUR/THB 37.80	Daily ▼ -0.03%	Weekly ▲ 0.96%	Monthly ▼ -0.18%	JPY/THB 0.2202	Daily ▲ 0.64%	Weekly ▲ 0.34%	Monthly ▼ -0.21%
Falling Trend				Sideways Trend				Sideways Trend			



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoT's daily closing rates

















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Currency Market

Currency	1M History	Last	% Chg (1D)	% Chg (1W)	% Chg (1M)	1M Range	
						Min	Max
Dollar Index		97.78	-0.2%	-1.1%	-0.1%	97.20	99.97
EUR/USD		1.1699	0.1%	1.16%	0.2%	1.1424	1.1754
USD/JPY		146.73	-0.7%	-0.5%	-0.1%	144.84	150.48
USD/CHF		0.8060	0.0%	-0.2%	1.2%	0.7929	0.8130
GBP/USD		1.3571	0.3%	2.1%	0.5%	1.3208	1.3647
USD/CAD		1.3760	0.1%	-0.2%	0.5%	1.3613	1.3839
AUD/USD		0.6539	0.1%	1.0%	-0.5%	0.6440	0.6594
NZD/USD		0.5969	0.1%	1.0%	-0.7%	0.5898	0.6039
ASEAN Dollar		106.50	-0.3%	-0.8%	-0.3%	104.01	108.31
USD/THB		32.31	-0.1%	-0.2%	-0.3%	32.17	32.79
USD/SGD		1.2807	0.0%	-0.5%	0.0%	1.2760	1.2965
USD/MYR		4.1982	-0.4%	-0.7%	-1.2%	4.2169	4.2724
USD/IDR		16,048	-0.6%	-1.6%	-0.4%	16,118	16,380
USD/PHP		56.97	-0.3%	-1.5%	0.3%	56.61	58.53
USD/CNY		7.1767	0.0%	-0.2%	0.1%	7.1545	7.2110
USD/HKD		7.8509	0.1%	0.0%	0.1%	7.8358	7.8550






















FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.15	0.15
3-month		0.70	-0.05
6-month		1.50	-0.20

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		263,939	-776
Gold		25,364	194
SDR		5,672	-33
IMF Reserves		1,150	-7
Foreign Ccy		231,753	-930
Net Fwd Position		22,285	485

Money Market

Last update: 01/08/2025





















































THB BIBOR	1M Hist	Last	1M Range		THBFIX	1M Hist	Last	1M Range		USD LIBOR	1M Hist	Last	1M Range	
			Min	Max				Min	Max				Min	Max
ON		1.50	1.50	1.75	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		1.52	1.52	1.77	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		1.55	1.55	1.79	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		1.59	1.59	1.84	2M					2M		0.00	0.00	0.00
3M		1.64	1.64	1.89	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		1.69	1.69	1.92	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		1.78	1.78	2.02	12M		2.26	1.59	2.26	12M		1.49	1.00	1.49

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Note: D=d=day; M=mth=month; Y=year; %chg = percentage change; chg = change; USTH FX Sp = USD/THB FX Swap point; \$mn=million US dollar; THB.mn= Thai baht million; Hist=history; THB implied = Thai baht rate that are calculated by FX forward rate; ASEAN Index = value average ASEAN FX Jan2008=100

Sources: ttb analytics, CEIC

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.2900	5.00 	7.00 	-1.00 	4.22	4.50
Gilt 10y		4.6152	-2.03 	6.94 	11.37 	4.46	4.68
Bund 10y		2.6600	-4.00 	3.00 	12.00 	2.52	2.73
JGB 10y		1.5300	1.40 	-3.00 	10.60 	1.42	1.61
TGB 1y		1.3306	-2.51 	-5.42 	-11.62 	1.36	1.45
TGB 2y		1.1618	-3.55 	-8.86 	-21.72 	1.20	1.38
TGB 5y		1.1965	-2.68 	-8.29 	-22.63 	1.22	1.42
TGB 7y		1.2921	-4.39 	-10.28 	-21.33 	1.34	1.51
TGB 10y		1.3738	-4.62 	-9.28 	-18.19 	1.42	1.56
AAA Spread		70.37	0.17 	1.92 	1.74 	67.08	70.37
AA Spread		64.99	0.03 	0.08 	0.53 	63.70	66.03
A Spread		106.79	-0.02 	1.34 	-0.85 	105.45	108.45
BBB Spread		285.64	0.05 	0.21 	0.36 	285.28	323.29

































































Note: UST = US Treasury; Gilt = UK Government Bond; JGB = Japanese Government bond; Bund = German Government Bond; TGB = Thai government Bond; tenors of the bonds are put after their name; bps=basis point; Corporate spreads are Thai and reported in basis points over government bond for the tenors 3-5 years.

Commodity Market

Commodity	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Brent Crude		66.84	1.8% 	0.4% 	-3.9% 	65.63	73.24
London Gold		3356.7	-0.2% 	-1.2% 	0.8% 	3,294.9	3,430.2

Note: Unit of Brent crude oil price is \$/barrel; unit of gold price is \$/ounce

Equity Market

Equity Index	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
S&P500 (US)		6,468.5	0.03% 	1.2% 	2.7% 	6,238.0	6,468.5
STOXX (EU)		577.94	0.7% 	1.4% 	1.8% 	552.1	577.9
FTSE All-Share(UK)		4,973.4	0.1% 	0.7% 	2.0% 	4,850.4	4,973.4
DAX (DE)		24,377.5	0.8% 	0.9% 	0.0% 	23,426.0	24,377.5
CAC All-Tradable(FR)		5,862.1	0.8% 	1.6% 	0.8% 	5,625.0	5,862.1
TOPIX (JP)		3,058.0	-1.1% 	2.3% 	8.2% 	2,812.3	3,091.9
Shanghai (CH)		3,843.3	-0.5% 	0.9% 	4.3% 	3,672.6	3,861.1
Hang Seng (HK)		25,519.3	-0.4% 	2.7% 	4.2% 	24,203.3	25,667.2
ASX 200 (AU)		8,873.8	0.5% 	0.8% 	2.7% 	8,561.8	8,880.8
SET (TH)		1,266.7	-0.8% 	0.2% 	10.8% 	1,110.4	1,277.4
SET50 (TH)		820.4	-1.2% 	-0.4% 	10.3% 	721.0	830.1
Straits Times (SG)		4,256.5	-0.4% 	0.4% 	2.3% 	4,109.2	4,273.1
FTSE Malay (MY)		1,581.1	-0.3% 	1.5% 	4.0% 	1,511.5	1,586.6
JSX Index (ID)		7,931.3	0.5% 	5.3% 	8.8% 	7,097.2	7,931.3
PSE Index (PH)		6,291.9	-0.5% 	-0.7% 	-0.1% 	6,252.7	6,525.0
Vn Index (VN)		1,640.7	1.8% 	3.5% 	10.1% 	1,460.7	1,640.7

Sources: ttb analytics, CEIC

Note: A = actual, P = previous; C = consensus

Important Disclosures

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