

Middle east tensions escalate as US-Iran conflict intensifies

Geopolitical risks surge as US and Iran exchange strikes

Middle East tensions escalate sharply as the US launches a new wave of strikes against multiple targets in Iran in response to what Washington describes as continued Iranian aggression. The attacks follow Iran's downing of a US Apache helicopter and come amid increasingly hawkish rhetoric from President Trump, who warns that Tehran will "pay the price" and signals additional military action. Iran vows a forceful response, while retaliatory strikes across the region continue to raise concerns over a broader conflict. With US-Iran negotiations stalled and the Strait of Hormuz remaining a key flashpoint, markets remain focused on the risks of prolonged energy supply disruptions and renewed inflationary pressures.

US consumer prices rise by 4.2% annually in May

Headline CPI rose 0.5% M/M in May, in line with expectations, while annual inflation accelerated to 4.2% YoY. However, underlying price pressures were somewhat softer than anticipated, with core CPI increasing just 0.2% M/M, below the 0.3% consensus forecast and down from 0.4% in April, although the annual core rate edged up to 2.9% YoY. The softer monthly core reading suggests inflation momentum may be moderating despite elevated energy costs, but inflation remains well above the Fed's target and is unlikely to materially alter the market's increasingly hawkish policy expectations given the continued resilience of the labor market. Within the details, goods prices softened, while services and supercore inflation cooled on a monthly basis but remained firm in annual terms.

China consumer inflation stalls while factory prices surge

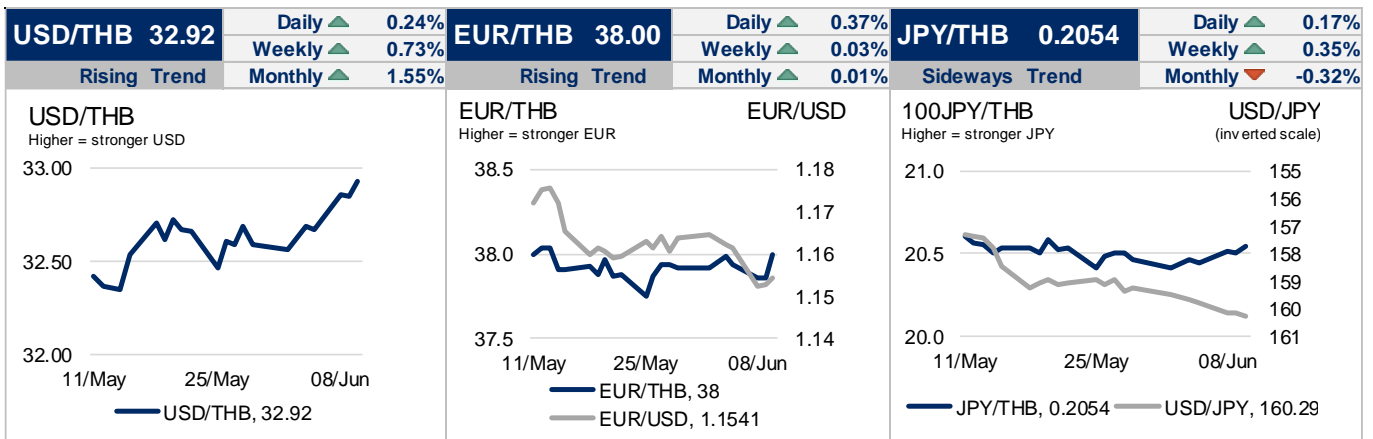
China's inflation picture remained mixed in May, with consumer prices unexpectedly losing momentum while producer prices accelerated to their fastest pace in nearly four years. CPI rose 1.2% YoY, unchanged from April and below market expectations, as a sharp decline in pork prices weighed on headline inflation. Core CPI also came in softer than expected, easing to 1.1% YoY. In contrast, PPI accelerated to 3.9% YoY, driven largely by higher oil and petrochemical costs amid supply disruptions linked to the Middle East conflict. The divergence highlights still-subdued domestic demand alongside mounting upstream price pressures.

Dollar trades mixed as markets weigh inflation and geopolitical risks

The 10-year government bond yield (interpolated) on the previous trading day was 2.289, -2.87 bps. The benchmark government bond yield (LB365A) was 2.28, -3.00 bps. Meantime, the latest closed US 10-year bond yields was 4.55, +2.0 bps. USDTHB on the previous trading day closed around 32.92, moving in a range of 32.93 – 32.95 this morning. USDTHB could be closed between 32.88 – 33.08 today. The dollar traded mixed as a broadly in-line US CPI report, including a softer core monthly reading, eased concerns over further inflation acceleration. While the data is unlikely to materially shift Fed expectations, attention now turns to Thursday's PPI report for further clues on the inflation outlook. Meanwhile, geopolitical tensions remained elevated as US-Iran negotiations stalled following renewed military exchanges. Major currencies traded in narrow ranges ahead of key central bank events. The euro was little changed as investors awaited Thursday's ECB meeting, while the British pound edged lower after failing to hold above the 1.3400 level amid a lack of UK economic data. Meanwhile, the Japanese yen softened modestly, with USD/JPY remaining above 160 as markets continued to anticipate a BOJ rate hike next week.

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

SET Index	1,563.59	S&P500	7,266.99	10Y UST	4.55%	Brent	93.10	Gold	4,166.40
10-Jun	▼ -1.30%	10-Jun	▼ -1.62%	10-Jun	▲ 2.0 bps	10-Jun	▲ 1.8%	10-Jun	▼ -3.7%



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

Main Contributor

Wajarawij Ramindra
wajarawij.ram@ttbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbank.com

ttb analytics ttbanalytics@ttbank.com
Naris Sathapholdeja naris.sat@ttbank.com
Kasem Harnchanpanich kasem.har@ttbank.com

Currency Market

Currency	1M History	Last	% Chg (1D)	% Chg (1W)	% Chg (1M)	1M Range	
						Min	Max
Dollar Index		99.97	-0.1%	0.6%	1.6%	97.96	100.08
EUR/USD		1.1541	0.1%	-0.7%	-1.5%	1.1522	1.1754
USD/JPY		160.29	0.1%	0.4%	1.9%	156.01	160.18
USD/CHF		0.7990	0.2%	1.1%	2.3%	0.7789	0.7977
GBP/USD		1.3381	0.3%	-0.5%	-1.1%	1.3310	1.3606
USD/CAD		1.3960	0.0%	0.6%	1.8%	1.3604	1.3958
AUD/USD		0.7017	-0.4%	-1.8%	-2.6%	0.7041	0.7240
NZD/USD		0.5820	0.1%	-1.4%	-1.9%	0.5813	0.5961
ASEAN Dollar		108.55	-0.11%	0.58%	2.2%	105.75	108.71
USD/THB		32.92	0.2%	0.7%	1.6%	32.24	32.92
USD/SGD		1.2872	-0.1%	0.4%	1.2%	1.2672	1.2910
USD/MYR		4.0610	0.0%	1.5%	3.4%	3.9108	4.0652
USD/IDR		17,947	-0.6%	0.1%	3.6%	17,273	18,050
USD/PHP		61.60	-0.2%	-0.3%	0.8%	60.78	62.02
USD/CNY		6.7770	0.0%	0.1%	-0.6%	6.7566	6.8335
USD/HKD		7.8322	0.0%	0.1%	-0.3%	7.8215	7.8533

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		287,465	1889
Gold		34,237	225
SDR		5,738	13
IMF Reserves		1,167	44
Foreign Ccy		246,323	1608
Net Fwd Position		22,830	555

Last update: 29/05/2026

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
10/06/2026	-1,900	-2,423	-4,323
09/06/2026	-579	-1,404	-1,983
08/06/2026	-3,498	-6,533	-10,031
05/06/2026	-1,357	-3,648	-5,005
04/06/2026	-1,474	1,420	-53
Last 5 days	-8,808	-12,587	-21,395

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -210	↓ -14,913	↓ -15,123
QTD	Quarter	↑ 921	↑ 15,042	↑ 15,963
YTD	Year	↑ 20,107	↑ 40,860	↑ 60,967

Money Market

THB BIBOR	1M Hist	Last	1M Range		THB FIX	1M Hist	Last	1M Range		USD LIBOR	1M Hist	Last	1M Range	
			Min	Max				Min	Max				Min	Max
ON		1.00	1.00	1.00	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		1.02	1.02	1.02	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		1.05	1.05	1.05	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		1.10	1.10	1.10	2M					2M		0.00	0.00	0.00
3M		1.15	1.15	1.15	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		1.21	1.21	1.21	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		1.30	1.30	1.31	12M		2.26	1.59	2.26	12M		1.49	1.00	1.49

Last Updated: 29/06/2023

Last Updated: 09/03/2022

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 Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.5500	2.00	8.00	9.00	4.38	4.67
Gilt 10y		4.9634	-2.48	10.30	7.62	4.80	5.19
Bund 10y		3.0500	0.00	7.00	6.00	2.97	3.17
JGB 10y		2.6690	-4.60	1.20	24.60	2.40	2.78
TGB 1y		0.9663	-0.50	-0.77	-2.80	0.97	1.00
TGB 2y		1.2260	-2.78	-1.86	4.30	1.18	1.31
TGB 5y		1.6981	-3.68	-4.05	16.47	1.53	1.80
TGB 7y		1.9670	-3.81	-6.62	4.34	1.91	2.16
TGB 10y		2.2895	-2.87	3.83	12.86	2.16	2.41
AAA Spread		68.64	-0.24	3.15	-0.54	65.49	70.83
AA Spread		52.14	0.33	0.32	-4.46	51.63	56.60
A Spread		93.01	0.30	0.07	-0.45	91.66	93.45
BBB Spread		360.01	0.08	0.07	-3.74	354.31	363.76

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		93.10	1.8%	-2.0%	-11.9%	91.45	112.10
London Gold		4166.40	-3.7%	-6.7%	-11.3%	4,166.4	4,734.2

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)		7,266.99	-1.62%	-4.2%	-2.4%	7,267.0	7,609.8
STOXX (EU)		643.60	-0.5%	-1.3%	2.0%	625.3	657.2
FTSE All-Share(UK)		5,517.4	0.3%	-1.1%	0.1%	5,479.8	5,648.3
DAX (DE)		24,195.3	-1.0%	-3.0%	0.2%	23,950.6	25,389.1
CAC All-Tradable(FR)		6,061.7	-0.5%	-1.2%	1.4%	5,936.6	6,158.2
TOPIX (JP)		3,847.6	-1.2%	-2.6%	-1.8%	3,791.7	3,996.2
Shanghai (CH)		4,187.7	-0.4%	-1.6%	-5.9%	4,151.9	4,448.9
Hang Seng (HK)		24,408.0	-0.6%	-3.3%	-7.4%	24,408.0	26,626.3
ASX 200 (AU)		8,653.3	0.6%	-0.4%	0.3%	8,496.6	8,785.7
SET (TH)		1,563.59	-1.30%	-2.0%	5.0%	1,483.6	1,594.8
SET50 (TH)		1,009.4	-0.9%	-2.0%	3.6%	974.2	1,030.3
Straits Times (SG)		4,958.9	-1.3%	-2.1%	0.3%	4,921.9	5,138.2
FTSE Malay (MY)		1,679.0	0.2%	-0.3%	-4.0%	1,672.7	1,758.9
JSX Index (ID)		5,902.4	2.7%	1.1%	-16.8%	5,342.1	7,174.3
PSE Index (PH)		5,941.4	-0.1%	0.5%	-0.5%	5,768.8	6,034.3
Vn Index (VN)		1,803.7	0.6%	-1.5%	-5.0%	1,790.5	1,927.9

Sources: ttb analytics, CEIC

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.