

Hawkish Fed sends yields and dollar higher, stocks lower

**Fed holds rates steady, removes forward guidance**

The Fed kept rates unchanged at 3.50–3.75% as widely expected, with the decision and statement unanimously approved (12–0). The Committee removed explicit forward guidance, emphasizing its commitment to achieving price stability. It noted that economic activity continues to expand at a solid pace despite elevated uncertainty, partly due to Middle East tensions. The Fed said labor market conditions remain broadly balanced, with job gains keeping pace with labor supply and unemployment little changed, while inflation remains elevated above the 2% target due partly to supply-driven price pressures, including energy. The revised SEP was also more hawkish, with the median projection now pointing to one rate hike this year compared with a previous expectation of one cut. Inflation forecasts were revised higher, while growth and unemployment projections for 2026 were lowered.

**Warsh reinforces hawkish Fed stance, signals policy framework review**

Warsh's first press conference reinforced the Fed's hawkish stance, with emphasis on returning inflation to target. He described the labour market as stable and said policy restrictiveness is uneven, with housing the main area showing tighter conditions. Warsh confirmed he did not submit a dot plot, citing limited usefulness, while noting officials are not bound by projections. He also announced five task forces to review communication, the balance sheet, data, productivity/AI, and the inflation framework, with potential changes to SEPs and Fed communication ahead.

**US retail sales beat expectations, signaling resilient US consumer demand**

US retail sales rose 0.9% M/M in May (exp. 0.5%, prev. 0.4% revised), beating expectations and signaling resilient consumer demand. The details remained strong, with ex-autos sales up 0.8% M/M and the control group rising 0.7% M/M. Gains were broad-based, led by gasoline stations, nonstore retailers, and auto dealers, while food services and electronics declined.

**UK inflation unexpectedly holds steady at 2.8% in May**

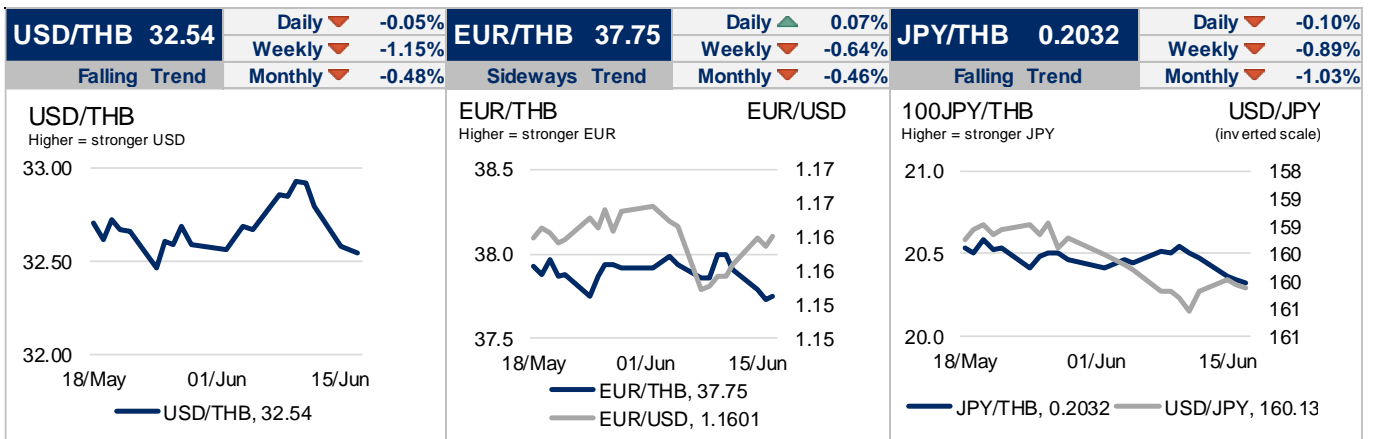
UK inflation unexpectedly held steady at 2.8% Y/Y in May, below expectations of 3.0%, suggesting price pressures were softer than feared. Food prices helped contain inflation, while services inflation remained elevated at 3.7% and core CPI edged up to 2.6% Y/Y.

**Dollar rallies as Fed delivers hawkish shift, markets price year-end hike**

The 10-year government bond yield (interpolated) on the previous trading day was 2.070, -3.78 bps. The benchmark government bond yield (LB365A) was 2.07, -2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.49, +6.0 bps. USDTHB on the previous trading day closed around 32.54, moving in a range of 32.67 – 32.69 this morning. USDTHB could be closed between 32.55 – 32.75 today. The dollar strengthened after the FOMC as the Fed delivered a hawkish shift despite holding rates unchanged. The removal of forward guidance, stronger emphasis on price stability, and a dot plot showing 9 officials expecting at least one hike this year reinforced a higher-for-longer outlook through 2027. Warsh maintained the hawkish tone, pushing back on dovish expectations and suggesting the Fed's focus remains on inflation rather than employment risks. The dollar index rose to 100.57 from 99.65, while markets returned to fully pricing a 25bp hike by year-end. EUR weakened below 1.1500 post-FOMC, GBP stayed pressured by softer inflation, and JPY declined as USD strengthened but remained around the 160 level.

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

<b>SET Index</b>	<b>1,587.07</b>	<b>S&amp;P500</b>	<b>7,420.10</b>	<b>10Y UST</b>	<b>4.49%</b>	<b>Brent</b>	<b>79.55</b>	<b>Gold</b>	<b>4,331.85</b>
17-Jun	▼ -0.06%	17-Jun	▼ -1.21%	17-Jun	▲ 6.0 bps	17-Jun	▲ 0.7%	17-Jun	▼ -0.3%



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		99.56	-0.1%	-0.4%	0.1%	98.15	100.08
EUR/USD		1.1601	0.1%	0.5%	0.0%	1.1522	1.1754
USD/JPY		160.13	0.1%	-0.3%	0.6%	157.35	160.55
USD/CHF		0.7928	-0.3%	-0.8%	0.6%	0.7796	0.7991
GBP/USD		1.3419	0.1%	0.3%	0.8%	1.3310	1.3590
USD/CAD		1.3977	-0.1%	0.3%	1.2%	1.3681	1.4003
AUD/USD		0.7064	0.0%	0.8%	-0.7%	0.7007	0.7240
NZD/USD		0.5827	0.1%	0.3%	-0.1%	0.5811	0.5959
ASEAN Dollar		108.43	0.05%	-0.86%	0.4%	107.55	109.52
USD/THB		32.54	0.0%	-1.1%	-0.5%	32.34	32.92
USD/SGD		1.2818	-0.1%	-0.5%	-0.1%	1.2705	1.2910
USD/MYR		4.0650	0.3%	-0.1%	2.3%	3.9257	4.0677
USD/IDR		17,665	0.2%	-1.4%	0.9%	17,374	18,050
USD/PHP		60.46	-0.1%	-1.7%	-2.2%	60.55	62.02
USD/CNY		6.7588	0.0%	-0.3%	-0.9%	6.7566	6.8222
USD/HKD		7.8356	0.1%	0.0%	0.2%	7.8215	7.8482

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		283,464	-4001
Gold		32,655	-1582
SDR		5,710	-28
IMF Reserves		1,162	-6
Foreign Ccy		243,938	-2385
Net Fwd Position		22,570	-260

Last update: 05/06/2026

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
17/06/2026	933	6,587	7,521
16/06/2026	630	2,916	3,547
15/06/2026	-336	11,244	10,908
12/06/2026	4,477	-1,301	3,176
11/06/2026	-56	-773	-829
Last 5 days	5,649	18,673	24,322

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 5,439	↑ 3,760	↑ 9,199
QTD	Quarter	↑ 6,569	↑ 33,716	↑ 40,285
YTD	Year	↑ 25,756	↑ 59,533	↑ 85,289

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		4.4900	6.00	4.00	-18.00	4.43	4.67
Gilt 10y		4.8627	-1.40	-8.98	-9.88	4.86	5.19
Bund 10y		2.9200	-1.00	-14.00	-9.00	2.92	3.17
JGB 10y		2.6550	6.60	-1.40	26.30	2.39	2.78
TGB 1y		0.9540	-0.20	-0.79	-3.87	0.96	1.00
TGB 2y		1.1575	1.53	-4.15	-12.16	1.13	1.31
TGB 5y		1.5986	1.75	-7.21	-11.94	1.54	1.80
TGB 7y		1.8002	-0.13	-13.43	-28.21	1.80	2.16
TGB 10y		2.0703	-3.78	-19.34	-26.92	2.10	2.41
AAA Spread		69.21	0.07	0.40	3.17	65.49	69.43
AA Spread		54.51	0.01	2.47	1.27	51.63	56.49
A Spread		91.77	-1.01	-1.25	-1.56	91.77	93.33
BBB Spread		360.37	0.01	0.25	-1.10	359.62	363.70

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		79.55	0.7%	-12.0%	-24.3%	78.96	112.10
London Gold		4331.85	-0.3%	6.2%	-4.6%	4,079.9	4,690.2

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)		7,420.10	-1.21%	0.3%	-0.2%	7,267.0	7,609.8
STOXX (EU)		672.16	0.7%	3.6%	4.9%	627.5	672.2
FTSE All-Share(UK)		5,649.7	0.1%	2.0%	1.9%	5,479.8	5,649.7
DAX (DE)		24,934.7	0.1%	3.0%	0.8%	23,950.6	25,389.1
CAC All-Tradable(FR)		6,250.8	-0.1%	2.7%	3.3%	5,936.6	6,259.7
TOPIX (JP)		4,013.2	0.6%	4.8%	5.8%	3,791.7	4,013.2
Shanghai (CH)		4,308.3	0.4%	3.0%	-1.3%	4,151.9	4,372.3
Hang Seng (HK)		24,312.2	-0.7%	0.3%	-5.8%	24,249.3	26,389.0
ASX 200 (AU)		8,966.3	0.5%	3.9%	5.5%	8,496.6	8,966.3
SET (TH)		1,587.07	-0.06%	0.9%	4.6%	1,516.7	1,594.8
SET50 (TH)		1,028.5	0.1%	1.5%	3.2%	987.8	1,030.3
Straits Times (SG)		5,176.5	1.2%	3.8%	3.6%	4,958.9	5,176.5
FTSE Malay (MY)		1,710.0	1.1%	1.8%	-2.0%	1,672.7	1,750.6
JSX Index (ID)		6,220.7	-0.5%	5.4%	-9.3%	5,342.1	7,174.3
PSE Index (PH)		6,114.8	-2.1%	2.9%	2.9%	5,768.8	6,272.9
Vn Index (VN)		1,806.2	-0.1%	0.4%	-5.6%	1,790.5	1,927.9

Sources: ttb analytics, CEIC

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

### Important Disclosures

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