

Higher Yields and Energy Risks Reinforce Higher-for-Longer Fed Outlook

Treasury selloff intensifies as Middle East tensions fuel inflation concerns and reinforce the higher-for-longer rate outlook

The U.S. administration is weighing a 90-day diesel export ban or restrictions to tackle record domestic prices, raising concern that limiting exports from the world's largest diesel supplier could push already elevated global and European diesel prices even higher and lift U.S. gasoline costs via refinery adjustments amid war-related supply disruptions.

U.S. oil reserves hit a 44-year low, reducing flexibility to cushion future supply shocks.

U.S. Treasury yields climbed to fresh multi-decade highs after President Trump rejected Iran's latest proposal to reopen the Strait of Hormuz, raising concerns that elevated energy prices could persist for longer. The renewed inflation risk has strengthened expectations that the Federal Reserve may need to keep tightening policy, pushing borrowing costs higher across the economy and adding pressure to financial conditions.

China's industrial sector remains a bright spot, supported by strong AI- and semiconductor-led growth

China's industrial profits rose 15.7% YoY to CNY 5.27 trillion in Jan-Aug 2026, driven by continued strength in high-tech manufacturing. Electronics profits surged 110% YoY, while high-tech manufacturing profits increased 54.7% YoY, underscoring robust demand from AI, semiconductors, EVs, and digital infrastructure. The data point to improving industrial momentum and provide support for China's growth outlook.

JPMorgan sees further BoT normalization in 2027, signaling a stronger domestic recovery and a gradual narrowing of Thailand's accommodative policy stance.

JPMorgan expects the Bank of Thailand to raise its policy rate three times in 2027, bringing the benchmark rate to 1.75%. The view reflects expectations of firmer domestic demand, improving growth momentum, and gradually rising inflation pressures. A higher policy rate could support the Thai baht and help narrow interest rate differentials with major economies, although monetary conditions would remain accommodative by historical standards.

Thailand's auto sector remains resilient, but rising EV imports and flood-related spending risks could weigh on domestic demand and industrial activity

While the Federation of Thai Industries (FTI) maintained its 2026 vehicle production target of 1.45 million units, citing limited disruption to production from recent flooding, the report highlights growing structural challenges for Thailand's manufacturing sector. Imported EVs accounted for 58.3% of BEV sales in the first eight months of 2026, exceeding domestically produced EVs (41.7%), implying weaker domestic value-added and supply-chain benefits. In addition, estimated flood damages of around THB 30 billion could divert household spending toward repairs and reconstruction, potentially dampening vehicle purchases and private consumption in the near term.

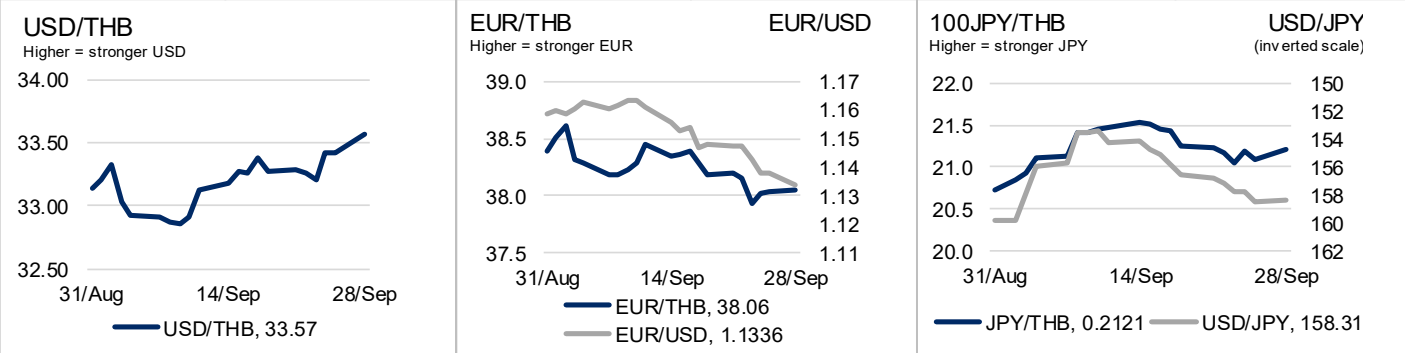
Dollar remains firm on as higher U.S. yields, elevated energy risks.

The 10-year government bond yield (interpolated) on the previous trading day was 2.407, +6.23 bps. The benchmark government bond yield (LB365A) was 2.355, +6.39 bps. Meantime, the latest closed US 10-year bond yields was 5.24, +6 bps. USDTHB on the previous trading day closed around 33.58, moving in a range of 33.595 – 33.63 this morning. USDTHB could be closed between 33.50 – 33.70 today. The dollar remains firm as higher U.S. yields, elevated energy risks, and a resilient U.S. economy reinforce the higher-for-longer Fed narrative, outweighing improving growth signals from China and expectations of gradual Bank of Thailand normalization.

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

SET Index	1,602.4	S&P500	7,683.7	10Y UST	5.24%	Brent	97.83	Gold	4,144.4
28-Sep	▼ -0.33%	28-Sep	▼ -0.77%	28-Sep	▲ 7.0 bps	28-Sep	▼ -6.4%	28-Sep	▼ -3.5%

USD/THB 33.57	Daily ▲ 0.44%	EUR/THB 38.06	Daily ▲ 0.04%	JPY/THB 0.2121	Daily ▲ 0.56%
Weekly ▲ 0.95%	Weekly ▼ -0.26%	Weekly ▲ 0.18%	Monthly ▲ 2.25%		
Monthly ▲ 1.31%	Monthly ▼ -0.87%				
Rising Trend	Sideways Trend	Rising 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		101.52	0.3%		1.2%		1.9%		98.76	101.18
EUR/USD		1.1336	-0.4%		-1.2%		-2.2%		1.1377	1.1663
USD/JPY		158.31	-0.1%		0.8%		-0.9%		153.44	159.87
USD/CHF		0.8303	0.4%		1.3%		2.6%		0.8026	0.8267
GBP/USD		1.3174	-0.44%		-1.5%		-2.7%		1.3233	1.3636
USD/CAD		1.4170	0.31%		1.3%		1.8%		1.3789	1.4126
AUD/USD		0.6987	-0.52%		-1.9%		-2.5%		0.7023	0.7224
NZD/USD		0.5641	-0.6%		-1.4%		-4.8%		0.5673	0.5961
ASEAN Dollar		107.00	0.2%		0.3%		1.0%		105.64	107.00
USD/THB		33.57	0.4%		1.0%		1.3%		32.72	33.57
USD/SGD		1.2841	0.4%		0.7%		0.9%		1.2636	1.2803
USD/MYR		4.0982	0.5%		0.5%		1.9%		4.0229	4.0950
USD/IDR		17,982	0.6%		0.9%		1.8%		17,493	17,867
USD/PHP		62.61	-0.1%		-0.3%		0.2%		61.68	63.04
USD/CNY		6.7500	0.59%		0.8%		0.4%		6.6940	6.7270
USD/HKD		7.8752	0.49%		0.4%		0.5%		7.8236	7.8520

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		280,074	-912
Gold		33,023	222
SDR		5,730	-29
IMF Reserves		1,143	-6
Foreign Ccy		240,178	-1099
Net Fwd Position		24,615	-330

Money Market

Last update: 18/09/2026

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	0.00	1.00	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		1.02	0.00	1.02	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		1.05	0.00	1.05	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		1.10	0.00	1.10	2M					2M		0.00	0.00	0.00
3M		1.15	0.00	1.15	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		1.21	0.00	1.21	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		1.31	0.00	1.31	12M		2.26	1.59	2.26	12M		1.49	1.00	1.49

Last Updated: 29/03/2023

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		5.2400	7.00		28.00		51.00		4.64	5.24
Gilt 10y		5.3613	5.57		7.13		26.84		5.08	5.39
Bund 10y		3.6400	6.00		19.00		33.00		3.20	3.64
JGB 10y		3.0820	1.10		8.90		19.00		2.88	3.08
TGB 1y		1.0063	0.17		0.36		1.31		0.99	1.01
TGB 2y		1.3846	3.37		6.36		19.38		1.17	1.38
TGB 5y		1.8186	4.03		10.30		18.07		1.61	1.82
TGB 7y		2.1228	3.94		12.11		21.86		1.87	2.12
TGB 10y		2.4073	6.23		15.65		23.00		2.13	2.42
AAA Spread		61.71	-4.75		-4.44		-10.29		61.71	77.56
AA Spread		46.28	-1.18		-5.36		-12.99		46.28	65.62
A Spread		87.72	-1.86		-5.56		-20.62		87.72	108.59
BBB Spread		297.97	4.43		-61.81		-47.65		293.55	378.20

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		97.83	-6.2% 	-2.5% 	9.5% 	87.84	108.75
London Gold		4144.4	-3.4% 	-4.6% 	-9.8% 	4,144.4	4,634.2

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)		7,683.7	-0.77%		-1.0%		0.0%		7,551.8	7,764.7
STOXX (EU)		511.4	1.1%		-22.6%		-0.7%		511.4	681.2
FTSE All-Share(UK)		4,076.1	0.2%		-0.3%		2.9%		3,933.2	4,088.1
DAX (DE)		25,374.4	-0.1%		-0.8%		-3.4%		25,266.5	26,570.0
CAC All-Tradable(FR)		5,998.5	0.0%		-1.0%		-3.1%		5,994.1	6,280.2
TOPIX (JP)		4,112.0	-0.4%		0.4%		0.0%		4,028.3	4,181.9
Shanghai (CH)		4,009.0	-1.7%		-3.2%		-3.3%		4,009.0	4,179.6
Hang Seng (HK)		24,642.5	0.5%		-1.8%		-3.6%		24,510.1	25,653.0
ASX 200 (AU)		8,678.6	0.1%		-0.9%		-4.3%		8,648.4	9,195.7
SET (TH)		1,602.4	-0.3%		-0.1%		0.5%		1,562.7	1,621.9
SET50 (TH)		1,074.7	-0.2%		-0.5%		0.3%		1,057.4	1,083.7
Straits Times (SG)		5,729.0	0.3%		0.1%		-0.5%		5,635.4	5,802.0
FTSE Malay (MY)		1,670.0	-0.1%		-0.8%		-4.1%		1,665.6	1,748.5
JSX Index (ID)		6,147.9	-1.5%		-2.1%		-5.8%		6,147.9	6,686.4
PSE Index (PH)		5,788.9	-0.6%		-0.4%		-2.8%		5,730.0	6,190.2
Vn Index (VN)		1,780.7	-0.2%		-2.0%		-2.8%		1,775.1	1,853.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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