

Daily Market Review

At-A-Glance

22 May 2025

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Daily Baht Movement



Expect intraday range:

32.50 – 32.75

USDTHB: Baht continued to strengthen alongside other Asian currencies as the US dollar weakened. The yen, however, has been volatile following news that Japan has deepened discussions on the fundamentals of FX policies with the US, though specific FX levels were not discussed. US Treasury yields, particularly at the long end, surged following weak demand in the auction of 20-year government bonds.

	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3
USD/THB	32.30	32.50	33.60	32.80	33.00	33.30
Recommendation : Buy on dips						








Other currencies:



	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3	Short term strategy
EUR/THB	36.00	36.50	36.80	37.40	38.00	38.50	Sell on rallies
JPY/THB	0.2160	0.2200	0.2260	0.2300	0.2370	0.2410	Buy on dips
CNH/THB	4.300	4.450	4.500	4.650	4.700	4.800	Sell on rallies
EUR/USD	1.0700	1.0950	1.1200	1.1400	1.1570	1.1650	Sell on rallies
USD/JPY	141.40	142.00	143.00	145.00	146.00	148.00	Sell on rallies

Market Highlight

- **US Treasury Secretary Scott Bessent and Japan's Finance Minister Katsunobu Kato did not discuss specific foreign exchange levels during their bilateral meeting in Canada** but reaffirmed that exchange rates should be market-determined and that the dollar-yen rate reflects economic fundamentals. The outcome indicates that the US has no major objection to the yen's recent appreciation. Kato emphasized that the meeting allowed for deeper discussion on the fundamentals of FX policy. He also conveyed concerns about the economic and market impact of US tariff-related uncertainty, arguing that tariffs are not an appropriate tool to address macroeconomic imbalances. Kato reiterated Japan's protest against additional US levies during the broader G7 finance ministers' meeting, which continues in Canada.
- **UK inflation surged to 3.5% in April from 2.6% in March, exceeding forecasts and marking the highest rate in over a year, driven by sharp increases in energy, water, and other administered prices.** Services inflation jumped to 5.4%, above the Bank of England's (BOE) 5% projection, while core inflation rose to 3.8%, the highest since April 2023. In response, traders scaled back expectations for interest-rate cuts, now pricing in only one more quarter-point reduction this year and cutting the probability of an August cut to 50%, effectively ruling out a move in June. The pound strengthened to \$1.3469, its highest since February 2022. While the BOE views the spike as temporary, it remains concerned about persistent wage and services inflation.
- **The European Union has submitted a revised trade proposal to the United States in an effort to reinvigorate stalled transatlantic negotiations with President Donald Trump's administration.** The proposal, aimed at aligning with US interests, includes commitments on international labor rights, environmental standards, economic security, and a phased reduction of tariffs to zero on industrial goods and non-sensitive agricultural products. It also outlines plans for mutual investment and strategic cooperation in areas such as energy, artificial intelligence, and digital infrastructure. Simultaneously, the EU is preparing countermeasures should talks fail to yield a favorable agreement.

Exchange Rates & Government Bond Yields

		Current	MTD change	YTD change
	USD/THB	32.66	-2.13%	-4.39%
	JPY/THB	22.77	-2.39%	4.54%
	EUR/THB	37.00	-2.10%	4.09%
	GBP/THB	43.83	-1.44%	2.23%
	EUR/USD	1.13	0.03%	9.44%
	GBP/USD	1.34	0.71%	7.27%
	USD/JPY	143.48	0.29%	-8.51%

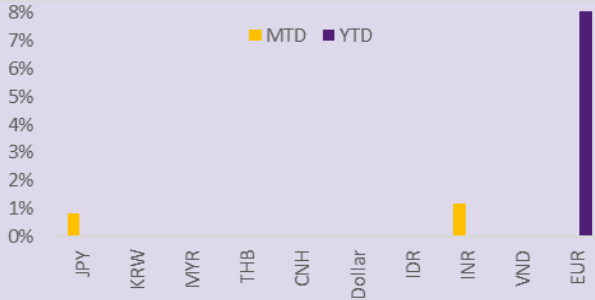
		Current	MTD change	YTD change
 US Treasury	3-mth	4.34%	4 bps	2 bps
	2-yr	4.02%	40 bps	-23 bps
	5-yr	4.16%	41 bps	-23 bps
	10-yr	4.60%	42 bps	2 bps
 Thai Gov	3-mth	1.57%	-6 bps	-37 bps
	2-yr	1.61%	7 bps	-41 bps
	5-yr	1.68%	9 bps	-42 bps
	10-yr	1.88%	-1 bps	-42 bps

Change in Exchange Rates

USDTHB movement



Change in regional currencies, against the US Dollar



Other Indicators

	Closing Prev. Working Day	MTD change	YTD change
SET Index	1,179.81	-1.46%	-15.74%
WTI Crude Oil	64.91	2.84%	-13.04%
Gold	3,313.94	0.97%	26.52%

	Closing Prev. Working Day	MTD change	YTD change
Flows to TH stocks	+386.13	-3,721	-58,312
Flows to TH Bonds	+9,530.37	+421	+67,670

Economic Calendar

Date	Country	Events	Forecast	Previous
Mon, May 19, 2025	EU	CPI (%YOY)	2.20%	2.20%
Tue, May 20, 2025	CH	PBoC Loan Prime Rate	3.00%	3.10%
Wed, May 21, 2025	UK	CPI (%YOY)	3.30%	2.60%
Thu, May 22, 2025	JP	Service PMI	52.4	52.4
	EU	Manufacturing PMI	49.3	49.0
	US	Manufacturing PMI	49.9	50.2
Fri, May 23, 2025	JP	National CPI (%YOY)	3.50%	3.20%
	GE	GDP Q1 (%QOQ)	0.20%	-0.20%

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