SCB

Daily Market Review

At-A-Glance 16 September 2026

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Daily Baht Movement

Expect intraday range:
33.20 – 33.45

USDTHB: The baht continued to weaken as the US Dollar Index rose alongside Treasury yields. SCB FM expects the Fed to hike rates to 4.00% (upper bound) today, but a dovish hike could steepen the Treasury yield curve, with a potential rally in the short end or selloff in the long end. Meanwhile, the yen weakened following reports that the government is considering raising its defense spending target.

	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3
USD/THB	32.85	33.00	33.15	33.35	33.55	33.65

Recommendation ***: Buy on dips***

Other currencies:

	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3	Short term strategy
EUR/THB	36.50	37.20	37.80	38.80	39.20	39.94	Buy on dips
JPY/THB	0.1960	0.2030	0.2080	0.2200	0.2240	0.2350	Buy on dips
CNH/THB	4.9120	4.9280	4.9400	4.9620	4.9740	4.9900	Sell on rallies
EUR/USD	1.1150	1.1300	1.1480	1.1640	1.1720	1.1800	Buy on dips
USD/JPY	151.10	152.00	153.20	155.25	156.80	158.00	Sell on rallies

Market Highlight

- **The 10-year US Treasury yield rose to 5.04% on Tuesday, its highest level since 2007, driven by strong capital investment and surging energy prices that are adding to inflationary pressures.** The bond selloff comes ahead of Wednesday's Fed decision, with markets expecting the first rate hike since 2023. A decision to hold rates, or a hike accompanied by a dovish message from Fed Chair Kevin Warsh, could push long-term yields even higher as investors demand greater compensation for persistent inflation risks. Meanwhile, the scope for a significant decline in long-end yields appears limited, given the lack of clear weakness in the real economy and weaker structural demand for Treasuries, particularly from foreign official investors. The current Treasury market dynamics also differ materially from those in 2007.

- **Japan is reportedly considering a new medium-term defense spending target of 3.5% of GDP, potentially aligning with NATO and other US allies,** although Japan's Defense Ministry denied that it had indicated such an intention to the US. A lower target of 3% is also being considered. Prime Minister Takaichi has already accelerated defense spending to nearly 2% of GDP in the fiscal year ended March, two years ahead of schedule, compared with an informal 1% cap before 2022. A new five-year defense spending plan is expected by year-end. A higher target could raise concerns over increased government bond issuance and fiscal sustainability, with Japanese government bonds extending losses and the yen weakening following the report.

- **The US-Iran war has brought Saudi Arabia to a critical point as Iran-backed Houthi forces launch near-daily attacks and expand their control in Yemen** toward the strategic Bab el-Mandeb Strait. Drone strikes by pro-Tehran militias in Iraq also forced Saudi Arabia to shut its East-West oil pipeline to Red Sea ports last week. UK authorities reportedly fear the pipeline could remain largely offline for six weeks, potentially pushing up global fuel prices and adding to inflationary pressures. The conflict could also undermine Saudi Arabia's economic diversification plans and result in tens of billions of dollars in lost oil export revenues. Rising security risks may further weaken investor confidence, with Saudi dollar bonds among the worst-performing emerging-market debt and increasing concerns over a potential economic contraction.

Exchange Rates & Government Bond Yields

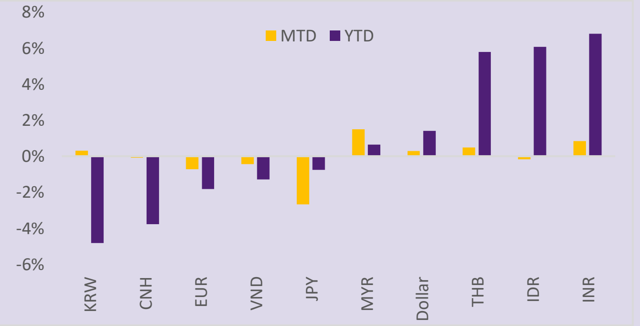
	Current	MTD change	YTD change
USD/THB	33.28	0.42%	5.72%
JPY/THB	21.41	3.22%	6.58%
EUR/THB	38.39	-0.29%	3.82%
GBP/THB	44.82	-0.01%	5.68%
EUR/USD	1.15	-0.71%	-1.81%
GBP/USD	1.35	-0.49%	-0.04%
USD/JPY	155.36	-2.74%	-0.82%

		Current	MTD change	YTD change
US Treasury	3-mth	4.06%	23 bps	43 bps
	2-yr	4.66%	31 bps	119 bps
	5-yr	4.83%	32 bps	112 bps
	10-yr	5.00%	24 bps	84 bps
Thai Gov	3-mth	0.97%	1 bps	-12 bps
	2-yr	1.32%	13 bps	19 bps
	5-yr	1.78%	14 bps	50 bps
	10-yr	2.39%	21 bps	73 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	1,578.66	-1.03%	25.32%
WTI Crude Oil	108.75	20.18%	78.72%
Gold	4,292.69	-3.68%	-0.59%

	Closing Prev. Working Day	MTD change	YTD change
Flows to TH stocks	-66.96	+4,757	+56,126
Flows to TH Bonds	-1,084.12	-14,318	-1,741

Economic Calendar

Date	Country	Events	Forecast	Previous
Tue, Sep 15, 2026	CH	Retail Sales (%YOY)	0.80%	0.60%
Wed, Sep 16, 2026	US	FOMC Rate Decision	4.00%	3.75%
	EU	CPI (%YOY)	3.30%	3.30%
	UK	BOE Rate Decision	3.75%	3.75%
Thu, Sep 17, 2026	UK	CPI (%YOY)	3.1%	2.9%
	US	Retail Sales (%MOM)	0.80%	-0.60%
Fri, Sep 18, 2026	JP	BOJ Rate Decision	1.25%	1.00%