FINANCIAL MARKETS

Daily Market Review

At-A-Glance 20 August 2026

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Daily Baht Movement

Expect intraday range:
32.75 – 33.00

USDTHB: The baht strengthened sharply as the US Dollar Index declined and long-term US Treasury yields tumbled after the Treasury announced an increase in liquidity-support buybacks for 10- to 30-year Treasuries. Gold prices also rallied, providing further support for the baht. Meanwhile, oil prices were largely sideways as markets awaited Trump's announcement of new economic measures against Iran.

	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3
USD/THB	32.30	32.55	32.70	32.95	33.10	33.20

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	0.2000	0.2030	0.2100	0.2150	0.2240	Buy on dips
CNH/THB	4.8420	4.8650	4.8800	4.9000	4.9180	4.9300	Sell on rallies
EUR/USD	1.1480	1.1550	1.1640	1.1720	1.1800	1.1930	Buy on dips
USD/JPY	156.00	157.30	158.00	159.60	160.40	162.00	Sell on rallies

Market Highlight

- **US Treasury Secretary Scott Bessent stepped up efforts to contain long-term borrowing costs, pushing Treasury yields and the dollar lower.** The Treasury Department announced it would at least double the size of liquidity-support buybacks for longer-dated securities, covering the 10- to 30-year sectors, with the expanded program starting Sept. 9. This follows its earlier plan to purchase up to $38 billion of older off-the-run securities, including up to $14 billion of 10- to 30-year Treasuries between Sept. 9 and Nov. 4. The latest move implies at least $14 billion of additional purchases. Investor demand has been strong, with Tuesday's $2 billion buyback of 2046–56 maturities 10 times oversubscribed. Following the announcement, the US dollar fell to a three-month low, while the 30-year Treasury yield dropped as much as 10 bps to 5.18%.

- **US public debt surpassed $40 trillion for the first time, rising by roughly one-third in less than five years. The increase comes as the government faces persistently high borrowing costs**, with interest expenses becoming the third-largest component of the federal budget, behind healthcare and Social Security. Treasury Secretary Scott Bessent has sought to contain long-term borrowing costs by expanding the Treasury's buyback program for longer-dated securities. Meanwhile, the government is approaching the $41.1 trillion debt ceiling, which Fitch Ratings estimates could be reached by mid-2027. Federal interest costs have already reached $1.17 trillion in fiscal 2026, up 15% YoY. The rapid accumulation of debt accelerated during the Global Financial Crisis and Covid-19 pandemic, when weaker tax revenues coincided with sharply higher government support spending.

- **Fed minutes showed that several officials favored a rate hike at the July meeting, while many said further tightening could be necessary if inflation fails to decline.** The debate largely centered on the uncertain inflation outlook, with most officials expecting inflation to ease as the effects of tariffs and earlier energy-price increases fade. However, the re-escalation of the Iran war was seen as clouding the inflation outlook. Officials described the labor market as stable, with demand and supply broadly balanced. The minutes also highlighted differing views on future monetary policy, emphasizing that incoming data would remain crucial. Separately, Warsh proposed reducing the Fed's policy meetings from eight to six per year, although the minutes made clear that the number of meetings will not change this year.

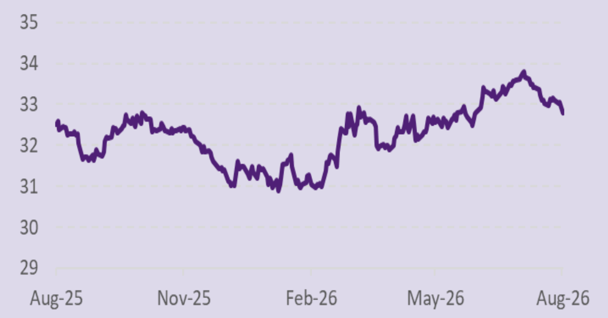
Exchange Rates & Government Bond Yields

	Current	MTD change	YTD change
USD/THB	32.81	-1.77%	4.22%
JPY/THB	20.71	1.43%	3.08%
EUR/THB	38.32	1.07%	3.65%
GBP/THB	44.65	1.41%	5.26%
EUR/USD	1.17	1.32%	-0.56%
GBP/USD	1.36	0.93%	0.98%
USD/JPY	158.33	0.48%	1.07%

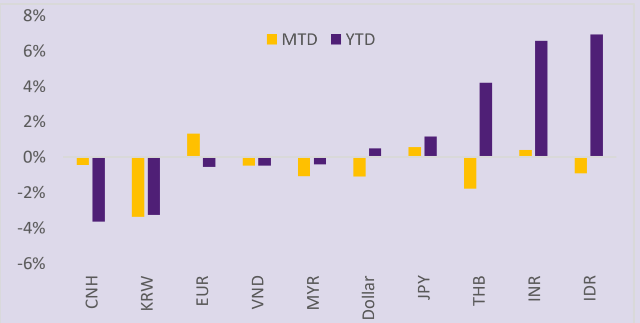
		Current	MTD change	YTD change
US Treasury	3-mth	3.80%	2 bps	16 bps
	2-yr	4.18%	-11 bps	71 bps
	5-yr	4.35%	-11 bps	64 bps
	10-yr	4.65%	-9 bps	50 bps
Thai Gov	3-mth	0.90%	3 bps	-19 bps
	2-yr	1.18%	1 bps	5 bps
	5-yr	1.60%	2 bps	32 bps
	10-yr	2.13%	5 bps	47 bps

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	1,609.76	-0.85%	27.79%
WTI Crude Oil	91.62	1.66%	50.57%
Gold	4,521.09	11.28%	4.24%

	Closing Prev. Working Day	MTD change	YTD change
Flows to TH stocks	-8,699.80	-14,844	+61,089
Flows to TH Bonds	+1,090.54	-8,546	+10,772

Economic Calendar

Date	Country	Events	Forecast	Previous
Mon, Aug 17, 2026	TH	GDP (%YOY)	1.90%	1.90%
Tue, Aug 18, 2026	US	Industrial Production (%MOM)	0.30%	0.10%
Wed, Aug 19, 2026	EU	CPI (%YOY)	2.90%	2.90%
Thu, Aug 20, 2026	US	FOMC Meeting Minutes		
	JP	Exports (%YOY)	19.90%	19.30%
Fri, Aug 21, 2026	US	Manufacturing PMI	54.0	53.90