SCB

Daily Market Review

At-A-Glance 21 August 2026

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Daily Baht Movement

Expect intraday range:
32.70 – 33.00

USDTHB: The baht remains strong despite the recovery in the US Dollar Index and long-term Treasury yields from yesterday's sharp declines, as markets remain unconvinced that the US Treasury's planned fiscal measures will succeed in addressing concerns over the fiscal deficit. Meanwhile, elevated gold prices have also supported the baht.

	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	4.8200	4.8420	4.8650	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

- **Treasury Secretary Scott Bessent said the administration will unveil new fiscal measures aimed at addressing elevated borrowing costs and refocusing investors on US economic fundamentals.** The Treasury will at least double buybacks of longer-dated Treasuries to support liquidity in thin summer markets, with Bessent suggesting purchases could exceed the currently planned $4 billion. However, the initial impact was short-lived, with 30-year Treasury yields reversing gains and 10-year yields also rising the following day. Bessent said there is a "very good chance" the US fiscal deficit has peaked, citing a recovery in tariff revenues. He also flagged upcoming announcements on fiscal consolidation and new economic measures against Iran. Bessent added that the US could grow its way out of debt concerns, while Vice President Vance's task force could help generate billions in savings.

- **San Francisco Fed President Daly (nonvoter) said there was not enough evidence to warrant an urgent change in the policy rate.** While two softer inflation readings were encouraging, they had not fully alleviated concerns over persistent inflation, while the labor market remained broadly stable. Meanwhile, St. Louis Fed President Musalem (nonvoter) said he favored a rate hike at the July FOMC meeting, arguing that monetary policy was currently neutral to accommodative. Musalem also said the recent Treasury selloff was not a reflection of concerns over the Fed's credibility, but rather reflected increased competition for capital, suggesting that broader market forces, rather than monetary policy, were driving higher bond yields.

- **Japan's key inflation gauge accelerated for a second consecutive month, reinforcing expectations that the BOJ could raise rates as soon as September.** CPI, excluding fresh food, rose 1.8% YoY in July, up from 1.6% in June and in line with expectations, while core CPI increased 1.9%. Headline CPI also rose 1.9%. The acceleration was partly driven by higher energy costs, which increased 0.6% YoY, alongside gains in processed food and dining-out prices. Processed food prices rose 3%, while service inflation accelerated slightly to 1.2%. However, government measures, including a gasoline tax cut, continued to suppress headline inflation. Meanwhile, rice prices fell nearly 12%, their steepest decline in over two decades. Overall, recent data and BOJ guidance support a September rate-hike base case.

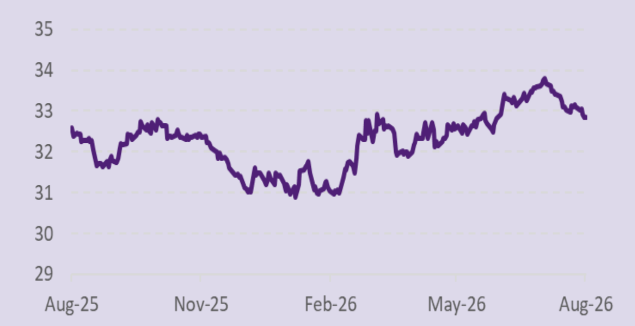
Exchange Rates & Government Bond Yields

	Current	MTD change	YTD change
USD/THB	32.82	-1.74%	4.26%
JPY/THB	20.63	1.05%	2.70%
EUR/THB	38.36	1.16%	3.74%
GBP/THB	44.76	1.68%	5.54%
EUR/USD	1.17	1.39%	-0.49%
GBP/USD	1.36	1.19%	1.24%
USD/JPY	159.03	0.93%	1.52%

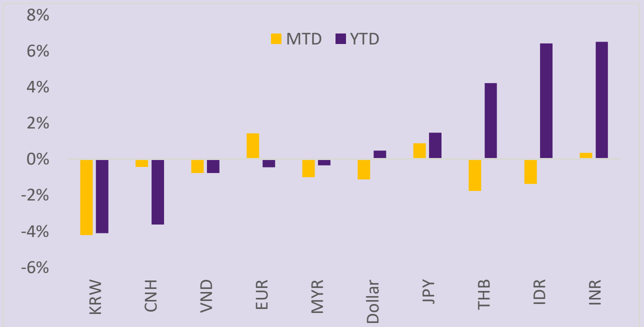
		Current	MTD change	YTD change
US Treasury	3-mth	3.80%	2 bps	16 bps
	2-yr	4.19%	-11 bps	72 bps
	5-yr	4.39%	-7 bps	68 bps
	10-yr	4.70%	-5 bps	55 bps
Thai Gov	3-mth	0.91%	4 bps	-18 bps
	2-yr	1.18%	1 bps	4 bps
	5-yr	1.59%	1 bps	31 bps
	10-yr	2.13%	5 bps	47 bps

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	1,609.99	-0.84%	27.81%
WTI Crude Oil	93.78	4.06%	54.12%
Gold	4,517.87	12.05%	4.95%

	Closing Prev. Working Day	MTD change	YTD change
Flows to TH stocks	+961.43	-13,883	+62,050
Flows to TH Bonds	-1,843.06	-9,536	+9,782

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