SCB

Daily Market Review

At-A-Glance 31 August 2026

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Daily Baht Movement

Expect intraday range:

33.00 – 33.30

USDTHB: The baht weakened significantly toward the end of last week after Kevin Warsh struck a hawkish tone at the Jackson Hole symposium, saying that inflation is not slowing meaningfully and that the Fed still has work to do. US Treasury yields rose, particularly at the short end. The US Dollar Index strengthened, while gold prices fell.

	Support 3	Support 2	Support 1	Resistance 1	Resistance 2	Resistance 3
USD/THB	32.70	32.95	33.10	33.30	33.45	33.68

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	4.8650	4.9000	4.9120	4.9350	4.9500	4.9740	Sell on rallies
EUR/USD	1.1300	1.1480	1.1550	1.1640	1.1720	1.1800	Buy on dips
USD/JPY	157.30	158.00	159.20	160.40	161.80	162.50	Sell on rallies

Market Highlight

- **Although Kevin Warsh did not explicitly signal support for a rate hike, he emphasized that inflation remains above the Fed's 2% target and is not slowing meaningfully,** making price stability the Fed's predominant focus. Warsh also noted that financial conditions are not sufficiently restrictive to restrain the economy. He reaffirmed short-term interest rates as the Fed's main policy tool and stressed that the 2% PCE inflation target is a "firm, fixed target." Warsh also defended a less forward-guidance approach, arguing that a quieter and more purposeful Fed would strengthen credibility. His hawkish tone boosted market expectations for a September hike, with derivatives pricing around 60–65% odds. US Treasury yields surged, led by the 2-year note.

- **The US military struck Iranian rocket launchers on Sunday that were reportedly preparing to deploy sea mines in the Strait of Hormuz,** marking the first US military action against Iran in more than a month. The attack followed weeks of relative calm and came shortly after the US said it had completed mine-clearing operations along key shipping routes in the strait, a critical waterway for global oil and LNG flows. Meanwhile, Iran signaled some openness to diplomacy, with its top diplomat saying renewed talks with the US were "not impossible" following discussions with Qatar. On the economic front, Treasury Secretary Scott Bessent said the US would impose sanctions this week on a second bank conducting business with Iran, reinforcing Washington's campaign to pressure Tehran economically.

- **Spanish and French inflation accelerated sharply in August, driven mainly by higher energy prices amid the ongoing conflict in the Middle East.** Spanish inflation rose to 4.5% YoY, more than double the ECB's 2% target and the fastest pace since 2023, although slightly below expectations. Tax cuts introduced in March to cushion the impact of the Iran war remain in place but have become less generous. French inflation also increased to 2.7%, its highest level since May. The renewed inflationary pressures have strengthened expectations for further ECB tightening. Markets are fully pricing a 25bp rate hike in September, which would lift the deposit rate to 2.5%, while policymakers are increasingly discussing additional hikes to contain persistent inflation risks.

Exchange Rates & Government Bond Yields

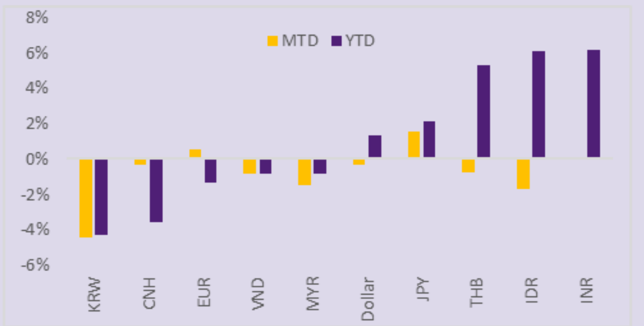
	Current	MTD change	YTD change
USD/THB	33.14	-0.78%	5.27%
JPY/THB	20.71	1.42%	3.07%
EUR/THB	38.41	1.29%	3.87%
GBP/THB	44.87	1.91%	5.78%
EUR/USD	1.16	0.54%	-1.33%
GBP/USD	1.35	0.43%	0.48%
USD/JPY	160.02	1.55%	2.15%

		Current	MTD change	YTD change
US Treasury	3-mth	3.83%	5 bps	20 bps
	2-yr	4.35%	6 bps	88 bps
	5-yr	4.48%	2 bps	77 bps
	10-yr	4.72%	-2 bps	57 bps
Thai Gov	3-mth	0.95%	8 bps	-14 bps
	2-yr	1.18%	2 bps	5 bps
	5-yr	1.62%	4 bps	34 bps
	10-yr	2.15%	7 bps	50 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	1,588.22	-2.18%	26.08%
WTI Crude Oil	89.31	-0.90%	46.77%
Gold	4,452.67	10.22%	3.24%

	Closing Prev. Working Day	MTD change	YTD change
Flows to TH stocks	-1,420.58	-24,230	+51,703
Flows to TH Bonds	-2,474.39	-7,680	+11,638

Economic Calendar

Date	Country	Events	Forecast	Previous
Mon, Aug 31, 2026	GE	CPI (%MOM)	0.30%	0.80%
Tue, Sep 1, 2026	EU	CPI (%YOY)	3.30%	2.90%
	US	ISM Manufacturing	55.2	55.6
Wed, Sep 2, 2026	US	ADP Nonfarm Employment	47K	44K
Thu, Sep 3, 2026	US	ISM Non-Manufacturing	54.1	54.1
	EU	Composite PMI	52.1	52.1
Fri, Sep 4, 2026	US	Nonfarm Payrolls	58K	-23K