

## Asia week ahead: China's Standing Committee meeting amid regional trade and inflation data

The meeting of China's National People's Congress will be watched very closely by markets next week. South Korea's consumer inflation is expected to ease below 2%, while Japan's labour cash earnings and Taiwan's trade data are expected to grow



### China: National People's Congress meeting in the week ahead

The big event locally for next week will be the meeting of China's Standing Committee of the National People's Congress, which will take place between 4-8 November. This will be watched very closely by markets, which are hoping for a decision to adjust budget deficit targets or announce specifics for new special bond issuance. This consequently would shed more light on the potential scale of fiscal policy measures ahead.

A Reuters report indicated that the package could be as large as RMB10tr spread over three to five years. That represents a headline number which has been on the higher side of estimates, but in annual terms, a figure between RMB2-3tr is in line with our expectations. The slow rollout of fiscal stimulus has cooled off some of the initial market enthusiasm after the announcement of monetary policy measures in September, but a large headline number for a new fiscal package could renew enthusiasm.

In terms of data, it is a relatively quiet week ahead, with trade data set to be published on Thursday. We are looking for export growth to benefit from a supportive base effect to see a slight uptick on the month to around 5% year-on-year, but for import growth to fall into negative territory to -5.0% YoY after hovering near the zero bound the last two months.

## **South Korea: Consumer inflation expected to ease below 2%**

Consumer inflation is expected to continue to ease below 2% in October on the back of falling fresh food prices and base effects. Fresh food prices are expected to fall as supply conditions improve with better harvests and increased imports, while petrol prices at the pump rose slightly in October.

The government's efforts to curb inflation continued as utility prices remained unchanged, while the Seoul Metropolitan Government postponed its plan to raise subway fares until next year. We expect CPI to stay below the Bank of Korea's target of 2% for a considerable time, and the BoK is therefore likely to continue its policy easing – albeit at a glacial pace.

## **Japan: Labour cash earnings**

We expect labour cash earnings to grow 3.5% YoY in September, accelerating from the previous month's 2.8%. More importantly, real cash earnings are likely to rebound as inflation cools down at a faster pace in September. We believe private consumption is likely to recover with better income conditions, which should support the Bank of Japan's policy normalisation in the coming months.

## **Taiwan: Trade data expected to bounce back**

Taiwan will publish its trade data on Friday. We are expecting a bounce back of export growth to around 9.5% YoY and a moderation of import growth toward 10.7% YoY in October after a few choppy months of data in the last three months.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
<b>Monday 4 November</b>				
Philippines	0830	Oct S&P Global Manufacturing PMI Flash	-	53.7
<b>Tuesday 5 November</b>				
Australia	1130	RBA Cash Rate	-	4.35
	1230	RBA Press Conference	-	-
China	0945	Oct Caixin Services PMI	-	50.3
India	1300	Oct HSBC Services PMI	-	57.9
South Korea	0700	Oct CPI (MoM%/YoY%)	0.2/1.4	0.1/1.6
Indonesia	1200	Q3 GDP (QoQ%/YoY%)	-/-	3.8/5.1
Philippines	0900	Oct CPI (MoM%/YoY%)	-/-	-0.2/1.9
	0900	Oct Core CPI (YoY%)	-	2.4
Singapore	1300	Sep Retail Sales (MoM%/YoY%)	-/-	0.7/0.6
Taiwan	1620	Oct FX Reserves (USD bn)	-	577.9
<b>Wednesday 6 November</b>				
Japan	0750	Monetary Policy Meeting Minutes	-	-
	0830	Oct Jibun Bank Services PMI Final	49.3	49.3
Philippines	0900	Sep Exports (YoY%)	-	0.3
	0900	Sep Imports (YoY%)	-	2.7
	0900	Sep Trade Balance (USD bn)	-	-4.375
Taiwan	0800	Oct CPI (YoY%)	1.7	1.82
South Korea	2300	Sep Current Account Balance NSA	-	6.6
<b>Thursday 7 November</b>				
China	1100	Oct Exports (YoY%)	5.1	2.4
	1100	Oct Imports (YoY%)	-5	0.3
	1100	Oct Trade Balance (USD bn)	80	81.71
		- Oct FX Reserves (USD tn)	-	3.316
Japan	0730	Sep Labour Cash Earnings (YoY%)	3.5	3
Australia	0830	Sep Trade Balance (AUD bn)	-	5.644
Indonesia	1100	Oct FX Reserves (USD bn)	-	149.9
Philippines	1000	Q3 GDP (QoQ%/YoY%)	-/-	0.5/6.3
		- Oct FX Reserves (USD bn)	-	112
Singapore	1700	Oct FX Reserves (SGD bn)	-	499.7
<b>Friday 8 November</b>				
Japan	0700	Nov Reuters Tankan Index	-	7
	0730	Sep All Household Spending (MoM%/YoY%)	-/-	2/-1.9
Taiwan	0800	Oct Imports (YoY%)	10.7	17.3
	0800	Oct Exports (YoY%)	9.5	4.5
	0800	Oct Trade Balance (USD bn)	5.9	7.12

Source: Refinitiv, ING

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