

## Asia week ahead: China and Taiwan trade data will show impact of US tariff escalation

Trade data from China and Taiwan are the main events as markets gauge how tariffs are impacting Asia. The Philippines will report on first-quarter GDP and April inflation



### China: Trade and other key data offer read on tariff effects

Next week's highlight is China's April trade data, set to be released on Friday. We'll finally see how the sharp escalation of tariffs affected trade in Asia's biggest economy. We suspect the shock on Chinese US-bound exports will be significant, causing a double-digit year-on-year decline in both exports and imports. China's exports to the US represent around 14-15% of total shipments, much of which may have ground to a halt in April. Purchasing managers' index data suggests that there will be a corresponding drop in imports. Some US-China trade will likely be redirected to other regions. But this isn't a seamless process, and probably won't be sufficient to offset the drag. Also, China will release data on foreign reserves on Wednesday. Markets will look for any significant

deviations to see if China is selling US Treasuries.

## Taiwan: Steady inflation and slowing export growth expected

Taiwan's consumer price index inflation data, out Tuesday, is likely to remain broadly steady at 2.2% YoY. As long as we don't see a significant overshoot on prices, it's unlikely to play a significant role in the central bank's rate decision in June. No action remains the baseline case. Taiwan's trade data will be released on Wednesday. We'll likely see exports to the US slow after two very strong months. Given the recent overreliance on the US market, this could have an outsized impact on headline export growth as well. Even so, we're still looking for positive single-digit growth in April.

## Philippines: Accelerated GDP growth and slight uptick in inflation expected

We anticipate Philippine GDP growth accelerated to 5.9% year-over-year in the first quarter, primarily driven by a rebound in private consumption. This recovery, which follows a cooling of inflation, is supported by interest rate cuts and improved monetary policy transmission that boosted credit growth. Headline CPI inflation will continue to benefit from lower food prices and a more than 5% drop in oil in April. However, higher electricity prices will offset these gains, resulting in a slight uptick in headline inflation.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
<b>Monday 5 May</b>				
Indonesia	1200	Q1 GDP (QoQ%/YoY%)	-0.9/4.88	0.5/5.0
Singapore	1300	Mar Retail Sales (MoM%/YoY%)	-/-	3/-3.6
<b>Tuesday 6 May</b>				
China	0945	Apr Caixin Services PMI	-	51.9
India	1300	Apr IHS S&P Global Services PMI	-	59.1
Philippines	0900	Apr CPI (MoM%/YoY%)	0.1/1.94	-0.2/1.8
<b>Wednesday 7 May</b>				
China	-	Apr FX Reserves (Monthly)	-	3.241
Philippines	0900	Mar Unemployment Rate	-	3.8
Taiwan	1600	Apr CPI (YoY%)	2.2	2.29
<b>Thursday 8 May</b>				
Philippines	1000	Q1 GDP (QoQ%/YoY%)	-/5.9	1.8/5.2
Taiwan	1600	Apr Trade Balance (USD bn)	-	6.95
	1600	Apr Imports (YoY%)	-	28.8
	1600	Apr Exports (YoY%)	-	18.6
South Korea	0700	Mar Current Account Balance (USD bn)	6.00	7.18
<b>Friday 9 May</b>				
China	-	Apr Trade Balance (USD bn)	-	102.64
	-	Apr Exports (YoY%)	-	12.4
	-	Apr Imports (YoY%)	-	-4.3
	-	Apr M2 Money Supply (YoY%)	-	7
Japan	0730	Mar Household Spending (YoY%)	2.0	-0.5
	0730	Mar Average Cash Earnings (YoY%)	3.0	2.7
Indonesia	1100	Apr Consumer Confidence Index	-	121.1
<b>Saturday 10 May</b>				
China	0930	Apr CPI (MoM%/YoY%)	-/-	-0.4/-0.1

Source: Refinitiv, ING

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