Asia week ahead: Rate decisions in the Philippines and Australia and key data on China and Taiwan

The Philippine central bank is expected to cut rates by 25 bps, while the Reserve Bank of Australia is seen leaving rates unchanged. Key data releases include China's trade and inflation, and Taiwan's trade

Philippines: BSP expected to cut rate by 25 bps

Recent GDP numbers raise concerns that soft government spending could become a longer-term drag, weighing not only on fiscal outlays but also on business and private-sector sentiment. While agriculture and private consumption are likely to rebound in the fourth quarter, investment and public spending may remain muted, keeping overall growth subdued. As a result, we now expect full-year GDP growth of 4.7%, down from our earlier estimate of 5.2%. This strengthens our call for a 25bp rate cut by Bangko Sentral ng Pilipinas on Thursday.

Australia: RBA expected to hold cash rate steady

We expect the Reserve Bank of Australia to leave the cash rate unchanged at 3.6% on Tuesday. Given recent upside surprises in inflation and growth, which shows robust momentum, we assess that the probability of another rate cut has diminished meaningfully. This implies the RBA could be done with its easing cycle.

China: Trade to grow moderately as inflation continues recovery

China's November trade data is out on Monday. While the trade truce and the US's tariff reductions should be a positive for Chinese exports, we are now entering a period of unfavourable base effects. This should keep trade growth modest. We are looking for 3.3% year-on-year growth in exports and 3.4% growth in imports, resulting in a trade surplus of $100.3bn. We expect CPI inflation for November, out on Wednesday, to continue its recovery, rising to 0.5% YoY. This would represent progress after last month's return to positive territory. The main reason is that the drag from food prices is fading. This, combined with the recent upward momentum in non-food prices, should boost inflation. Overall, inflation remains quite low, but preventing a deflationary mindset from settling in is important to maintaining a healthy long-term consumption and investment trajectory. Low positive inflation will likely play a limited role in People's Bank of China decision-making.

Taiwan: Export growth expected to remain robust

We expect exports, out on Tuesday, to continue their torrid growth at 47.5% YoY, while imports are expected to grow a respectable 12.3%. This will equate to a trade surplus of $23.4bn. Exports have been supported by the AI race. They look set to close out the year on strong footing, with export orders also continuing to grow.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
		Monday 8 December		
China	1100	Nov Exports (YoY%)	3,3	-1,1
	1100	Nov Imports (YoY%)	3,4	1
	1100	Nov Trade Balance (USD bn)	100,3	90,1
		Tuesday 9 December		
Australia	1130	Dec RBA Cash Rate	3,6	3,60
Indonesia	1100	Nov Consumer Confidence Index	-	121,2
Singapore	1030	Q3 Unemployment Rate Final SA	-	2
Taiwan	1600	Nov Imports	12,3	14,6
	1600	Nov Exports	47,5	49,7
	1600	Nov Trade Balance (USD bn)	23,4	22,6
South Korea	0700	Nov Unemployment Rate	2,7	2,6
		Wednesday 10 December		
China	0930	Nov PPI (YoY%)	-	-2,1
	0930	Nov CPI (MoM%/YoY%)	-/0.5	0.2/0.2
Japan	0750	PPI (MoM%/YoY%)	-/-	0.4/2.7
Indonesia	1200	Oct Retail Sales (YoY%)	-	3,7
		Thursday 11 December		
Philippines	1500	Rate Decision	4,5	4,75
		Friday 12 December		
India	1830	Nov CPI Inflation (MoM%/YoY%)	-/-	0.15/0.25
	1930	FX Reserves (USD bn)	-	688,1

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