

Asia week ahead: China's Central Economic Work Conference in focus

We look at what's in store in the region next week, including China's Central Economic Work Conference, Australia's cash target rate, India's inflation data and the Japanese Tankan business survey



Australia: RBA expected to remain on hold

We expect the Reserve Bank of Australia (RBA) to leave the cash rate unchanged at 4.35%. An elevated core inflation reading for October and stronger third-quarter GDP growth suggest that the central bank is in no rush to cut policy rates. We think the earliest the RBA will move on rates is March 2025 with a high probability of it getting pushed to the second quarter of next year.

China: Central Economic Work Conference with CPI and trade data

The big event next week will be the annual Central Economic Work Conference. While numerical targets are not expected to be the focus – as this is typically set at the Two Sessions – it

nonetheless will be the market's next window into how policymakers approach next year. We will be watching to see if there's any shift in tone on fiscal/monetary policy (from the current proactive/prudent stances respectively).

We will also focus on what areas of the economy appear to be prioritised, with particular interest on whether we will see additional focus or new directions in terms of supporting domestic demand and the property market. Finally, shifts in tone and new phrases are worth monitoring closely as they can herald larger shifts in policy direction. We expect the markets would be satisfied with a shift to signal more aggressive policy support but may be disappointed if the release offers little new content.

The conference aside, China is set to release its November CPI inflation data on Tuesday, and its trade data on Wednesday. We are looking for CPI inflation to edge up to 0.6% YoY from 0.3% YoY in October, as food prices continue to offset sluggish non-food inflation. We expect export growth to remain solid at 10.4% YoY in November, in part thanks to the front-loading of exports after Trump's election victory. Imports on the other hand are expected to remain weak amid sluggish domestic demand at around 1.2% YoY. This would translate to a trade surplus of US\$96.8bn.

India: CPI inflation should fall back within the Reserve Bank of India's target range

CPI inflation for November should ease to about 5.5% after the October reading hit a 14-month high of 6.21%, largely driven by lower food prices.

Japan: Tankan business survey

Japan will publish its Tankan business survey. We expect the outlook for the non-manufacturing sector to improve in the fourth quarter on the back of solid wage growth and relatively positive consumer sentiment. However, the manufacturing outlook is likely to deteriorate as uncertainty over global trade policy, particularly in the auto industry, increases.

Taiwan: export growth to adjust a little while import growth bounces back

Taiwan will release its November trade data on Monday. We expect export growth to moderate slightly to around 8.1% YoY and for import growth to rebound to 18.5% YoY. The stronger import growth is largely base effect driven thanks to the contraction of imports in 2023 versus flat exports; we are still looking for the trade balance to edge up to US\$7.7bn from \$6.9bn.

Export growth has been choppy this year and a less supportive base effect for exports in the final two months of the year could lead to some moderation of growth, but overall the external demand picture has been supportive this year.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 9 December				
Japan	0750	Q3 GDP Revised (QoQ%, QoQ% ann)	-/-	0.2/0.9
	0750	Oct Current Account Balance (JPY bn)	-	1717
China	0930	Nov CPI (YoY%)	0.6	0.3
	0930	Nov PPI (YoY%)	-	-2.9
Indonesia	1100	Nov Consumer Confidence	-	121.1
Taiwan	1600	Nov Imports (YoY%)	18.5	6.5
	1600	Nov Exports (YoY%)	8.1	8.4
	1600	Nov Trade Balance (USD bn)	7.7	6.87
Tuesday 10 December				
Australia	0830	Nov NAB Business Confidence	-	5
	1130	RBA Cash Rate	4.35	4.35
Indonesia	1100	Oct Retail Sales (YoY%)	-	4.8
Philippines	0900	Oct Imports (YoY%)	-	9.9
	0900	Oct Exports (YoY%)	-	-7.6
	0900	Oct Trade Balance (USD mn)	-	-5087
China		- Nov Imports (YoY%)	1.2	-2.3
		- Nov Exports (YoY%)	10.4	12.7
		- Nov Trade Balance (USD bn)	96.8	95.7
Wednesday 11 December				
Japan	0700	Dec Reuters Tankan Index	-	5
South Korea	0700	Nov Unemployment Rate	-	2.7
Thursday 12 December				
Australia	0830	Nov Unemployment Rate	-	4.1
India	1830	Nov CPI (MoM%/YoY%)	-5.5	1.3/6.2
	1830	Oct Industrial Output (YoY%)	-	3.1
Taiwan	1630	Interest Rate Decision	2	2.00
Friday 13 December				
China		- Nov M2 Money Supply (YoY%)	-	7.5
Japan	0750	Q4 Tankan Large Manufacturers Index	-	13
Australia	0730	Dec Westpac Consumer Confidence Change	-	5.3
India	1430	Nov WPI Inflation (YoY%)	-	2.36
Saturday 14 December				
China		- Nov FDI (YoY%, YTD)	-	-29.8

Source: Refinitiv, ING

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