

## Asia week ahead: China's Two Sessions and inflation data

China's Two Sessions concludes next week as February inflation data likely shows more declines. The Korean jobless rate might drop, while Japan's fourth-quarter GDP growth should be revised downward slightly



### China's Two Sessions policy announcements and inflation data

The Two Sessions wraps up next Tuesday. Various policy announcements are expected to shed light on Beijing's stimulus and reform plans. China's February consumer price and producer price inflation data are scheduled for Sunday. We anticipate that the Lunar New Year effect will push CPI inflation back into negative territory to a -0.3% rate year on year. PPI inflation is likely to remain negative as well. Additionally, February credit data is expected sometime next week. Markets anticipate that both aggregate financing and new RMB loans will show an acceleration.

## Korea: unemployment expected to fall, but private hiring will remain sluggish

South Korea's jobless rate is expected to continue dropping thanks to government job programs. However, private hiring should remain weak. Construction is struggling amid ongoing restructuring efforts. Meanwhile, companies in services such as entertainment, eating out, and leisure are seen cutting jobs amid weak business conditions.

## Japan: labour earnings and 4Q GDP revision

We expect labour cash earnings growth to moderate somewhat, largely due to a slowdown in bonus payments. Also, a spike in inflation in January is likely to push real earnings back into negative territory. Fourth quarter GDP is likely to be revised downward slightly from 0.7% quarter on quarter, seasonally adjusted, to 0.5% as capital spending comes in weaker than expected.

## Key events in Asia next week

| Country                   | Time (GMT+8) | Data/event                             | ING     | Prev.   |
|---------------------------|--------------|--|---------|---------|
| <b>Monday 10 March</b>    |              |  |         |         |
| China                     |              | - National People's Congress           | -       | -       |
| Japan                     | 0730         | Jan Labour Cash Earnings (YoY%)        | 3       | 4.8     |
| Singapore                 | 1030         | Q4 Unemployment Rate Final             | -       | 1.9     |
| <b>Tuesday 11 March</b>   |              |  |         |         |
| China                     |              | - National People's Congress           | -       | -       |
| Japan                     | 0730         | Jan All Household Spending (MoM%/YoY%) | 2.0/4.0 | 2.3/2.7 |
|                           | 0750         | Q4 GDP Revised (QoQ%/QoQ% ann.)        | 0.5/2.2 | 0.7/2.8 |
| Indonesia                 | 1100         | Feb Consumer Confidence Index          | -       | 127.2   |
| <b>Wednesday 12 March</b> |              |  |         |         |
| India                     | 1830         | Feb CPI (YoY%)                         | -       | 4.31    |
|                           | 1830         | Jan Industrial Output (YoY%)           | -       | 3.2     |
| Indonesia                 | 1100         | Jan Retail Sales (YoY%)                | -       | 1.8     |
| South Korea               | 0700         | Feb Unemployment Rate                  | 2.7     | 2.9     |
| <b>Friday 14 March</b>    |              |  |         |         |
| India                     |              | - Feb Trade Balance (USD bn)           | -       | -22.99  |
|                           |              | - Feb Exports (USD bn)                 | -       | 36.43   |
|                           |              | - Feb Imports (USD bn)                 | -       | 59.95   |

Source: Refinitiv, ING

## Author

### Lynn Song

Chief Economist, Greater China

[lynn.song@asia.ing.com](mailto:lynn.song@asia.ing.com)

### Min Joo Kang

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

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