

## Asia week ahead: China's economic data, Japan's GDP and India's CPI and trade figures

China's main data for July and rate decisions will dominate the week ahead in Asia, though there are also key inflation reports from India and Japanese activity data



### China: Another data dump looming

China's major economic data is scheduled for release in the week ahead. On Thursday, the People's Bank of China will set the Medium-Term Lending Facility (MLF) rate, and we are expecting it to remain unchanged after last month's rate cuts. It also seems likely that future monetary policy adjustments could start from the 7-day reverse repo rate as in July, making the MLF update less of a significant event for the market than in the past.

China will also publish the 70-city housing price data, and key economic activity data on the same day. We are looking for a smaller decline in property prices, and if more tier-one or two cities see

some price stabilisation, this would be another positive step along the road to restoring confidence. Retail sales should see a bit of recovery after hitting a post-pandemic low last month on technical factors, and industrial production and FAI could see some stabilisation as well this month.

## Japan: Growth to show signs of recovery

Japan will release its 2Q24 GDP on Thursday. This is expected to rebound to 0.5% quarter-on-quarter seasonally-adjusted (vs the 0.6% market consensus) but is unlikely to fully offset the 0.7% contraction seen in 1Q24. June manufacturing activity was weaker than expected due to another auto safety issue, which should weigh on auto-related activity. However, household spending and facility investment should improve. The net export contribution is also expected to turn positive due mainly to slower imports of commodities in 2Q24.

## India: Big fall in inflation likely

Indian inflation for July may show a sharp fall. The monthly food price indications for July point to a smaller rise than in June of about 1.3% month-on-month, and incorporating that into the full CPI index should result in a similar rise of about 1.3% MoM for CPI. That will translate into about a 3.4% YoY inflation rate, down from 5.1% in June. This would be the first time that CPI inflation has been at the lower end of the RBI's 2-6% target range since September 2019, and could encourage further rate cut talk.

India reports trade balance numbers for July too. We are not expecting a significant shift from the \$20.9bn deficit reported for June.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
<b>Monday 12 August</b>				
China	-	Jul M2 Money Supply (YoY%)	-	6.2
India	2000	Jul CPI (MoM%/YoY%)	1.3/3.4	1.3/5.1
	2000	Jun Industrial Output (YoY%)	-	5.9
<b>Tuesday 13 August</b>				
Australia	0830	Aug Westpac Consumer Confidence (MoM%)	-	-1.1
<b>Wednesday 14 August</b>				
Japan	0050	Q2 GDP (QoQ%)	0.5	-0.7
India	0730	Jul WPI Inflation (YoY%)	-	3.36
South Korea	0700	Jul Unemployment Rate	3	2.8
<b>Thursday 15 August</b>				
Australia	0930	Jul Unemployment Rate	-	4.1
	0930	Jul Employment Change	-	50.2
China	1000	Jul Industrial Output (YoY%)	5.2	5.3
	1000	Jul Retail Sales (YoY%)	2.6	2
	1000	Jul Unemployment Rate	5	5
	1000	Jul Fixed Asset Investment (YoY% ytd)	4	3.9
India	-	Jul Trade Balance (USD bn)	-	-21
	-	Jul Exports (USD bn)	-	35.2
	-	Jul Imports (USD bn)	-	56.18
Indonesia	1200	Jul Trade Balance (USD bn)	-	2.39
	1200	Jul Exports Growth (YoY%)	-	1.17
	1200	Jul Imports Growth (YoY%)	-	7.58
Philippines	1500	Interest Rate Decision	-	6.50

Source: Refinitiv, ING

## Authors

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

### 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)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.