

Asia week ahead: Rate decisions in Japan, Taiwan, Indonesia and key Chinese data

The central banks of Japan, Taiwan and Indonesia are all expected to hold rates steady. Key data releases include Chinese retail sales and industrial production, and Japanese inflation



Japan: BoJ to leave rates unchanged amid weak exports

US tariffs are expected to result in another month of export declines in Japan in August. Imports may decline due to lower global commodity prices. Continued weak exports are likely to prompt the Bank of Japan to maintain its 0.5% policy rate on Friday. The BoJ still needs time to assess the impact of the US-Japan trade deal. Consumer price inflation is expected to ease to 2.9% year-over-year in August, thanks to last year's high base. But core inflation, excluding fresh food and energy, should stay above 3%, supporting a potential BoJ rate hike in October. No hawkish remarks are anticipated from Governor Ueda, given Japan's fluid political climate

Taiwan: Central bank expected to stand pat

Taiwan's central bank will hold its monetary policy steady at Thursday's meeting. Inflation has been below the 2% target since May. Despite the softening of the TWD over the past two months, following an earlier rally, depreciation pressure does not appear to be a major factor at this time. Yet growth continues to surprise on the strong side amid solid external demand. There isn't a strong domestic case to pre-empt the Federal Reserve in cutting rates. Even in the event of a no-action decision, markets will watch to see if policymakers hint at a December rate cut.

Indonesia: BI expected to hold the policy rate

We expect Bank Indonesia will leave its policy rate unchanged at 5% on Wednesday. The recent cabinet changes, including the replacement of Finance Minister Sri Mulyani, risk a wider fiscal deficit. The new finance minister will look to recast next year's spending plans. We think BI would look for some clarity on fiscal expansion before making the next rate move. With softer inflation prints helping real policy rates stay high -- close to 3.4% -- we continue to expect BI to deliver another 50bp of rate cuts by the first quarter of 2026.

China: Retail sales seen recovering, as IP and FAI drop moderately

China's monthly data dump is scheduled for Monday, when it releases key activity figures for August. We expect a recovery in retail sales growth on the month to 4.0% year on year, but for industrial production and fixed-asset investment to continue to moderate, dropping 5.6% YoY and 1.5% YoY ytd, respectively. Data on 70-city housing prices should confirm that momentum has been turning downward in the past few months. Poor weather conditions were commonly attributed as a main factor behind the weak July data. So, August will be an important gauge of whether the slowdown was a blip or the start of a trend.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 15 September				
China	1000	Aug Fixed Asset Investment (YoY%)	1,5	1,6
	1000	Aug Industrial Output (YoY%)	5,6	5,7
	1000	Aug Retail Sales (YoY%)	4	3,7
India	1430	Aug WPI Inflation (YoY%)	-	-0,6
Singapore	1030	Q2 Unemployment Rate Final	-	2,1
Wednesday 17 September				
India	1930	Money Supply (INR tn)	-	281
Japan	0750	Aug Exports (YoY%)	-0,4	-2,6
	0750	Aug Imports (YoY%)	-3,8	-7,5
	0750	Aug Trade Balance (JPY bn)	-400	-117,5
Indonesia	1530	Rate Decision	5,00	5,00
Thursday 18 September				
Australia	0830	Aug Reserve Assets Total	-	104262
Indonesia	1100	Aug Consumer Confidence Index	-	118,1
	1100	Jul Retail Sales Index (YoY%)	-	1,3
Taiwan	1600	Rate Decision	2,00	2,00
	1620	Aug Money Supply - M2 (YoY%)	-	3,4
Friday 19 September				
Japan	0730	Aug CPI (MoM%/YoY%)	0,2/2,9	0,2/3,1
	0730	Aug Core excluding Fresh Food (YoY%)	2,7	3,1
	1100	BoJ Rate Decision	0,5	0,5
India	1930	FX Reserves (USD bn)	-	694,2

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