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CHINA JAPAN THAILAND

Asia week ahead: Rate decisions in Japan, China and Taiwan take centre stage

The Bank of Japan is expected to leave rates unchanged next week. Markets also will focus on the Shunto wage negotiation results, which may impact the timing of the BoJ's next move. On Thursday, central banks in China and Taiwan are likely to hold benchmark rates steady, too.



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Japan: Bank of Japan likely to keep policy rate unchanged

No policy action is expected when the Bank of Japan meets Wednesday. We believe Governor Ueda will provide directional guidance, but not on the timing or magnitude of rate hikes to come.

With inflation set to overshoot the BoJ's forecast and the possibility of another strong gain

from the Shunto wage negotiations, the BoJ is likely to resume rate hikes in May. Meanwhile, the February consumer price index will be released on Friday. Headline inflation is likely to ease to 3.5% year on year from 4% in January after a resumption of the government's energy subsidy programme and fresh food prices stabilised.

Despite the ongoing tariff uncertainty, Japanese exports are expected to grow rapidly in February, partly due to last year's low base and the front-running of shipments of major items such as cars and IT goods.

China: first data dump of 2025 and policy rate call

China's first data dump of 2025 hits Monday, when we'll get our first look at hard activity figures for the first two months of the year.

We expect retail sales to edge higher, but remain relatively soft at around 4.0% YoY. The expansion of trade-in programmes this year should support growth in the coming months. Industrial production, meanwhile, may soften to 5.2% YoY amid weaker external demand. Growth in fixed-asset investment (FAI) is expected to remain tepid as the private sector continues to drag on growth. We're looking for FAI growth of around 3.6% YoY, year to date.

We'll be closely tracking February property market data to see if the last month saw a swing to positive sequential growth. Data in January showed new home prices dropped just 0.07% month on month, while more cities saw prices increase.

Finally, China's loan prime rates will be released Thursday. Barring a cut to the benchmark 7-day reverse repo rate in the coming days, it's safe to assume no change in the loan prime rate (LPR) next week.

Taiwan: monetary policy meeting in focus

The quarterly monetary policy meeting of Taiwan's central bank on Thursday is next week's main event. We expect officials to keep rates unchanged at 2.0%. At the previous meeting, guidance largely tilted toward the hawkish side. It will be worth seeing if there's any change after several months of softer inflation.

Also Thursday, February export orders data will be released. We're looking for orders to bounce back to positive growth of 9.4% YoY.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 17 March				
China	1000	Feb Fixed Asset Investment (YoY%. ytd)	3.6	3.2
	1000	Feb Industrial Output (YoY%)	5.2	6.2
	1000	Feb Retail Sales (YoY%)	4	3.7
India	1430	Feb WPI Inflation (YoY%)	-	2.31
Indonesia	1200	Feb Trade Balance (USD bn)	-	3.45
	1200	Feb Exports (YoY%)	-	4.68
	1200	Feb Imports (YoY%)	-	-2.67
Singapore	1030	Q4 Unemployment Rate Final SA	-	1.9
Tuesday 18 March				
Philippines	1300	Jan Budget Balance	-	-271.5
Wednesday 19 March				
Japan	0750	Feb Trade Balance (JPY bn)	600	-2759
	0750	Feb Imports (YoY%)	7	16.7
	0750	Feb Exports (YoY%)	19	7.2
	0750	Jan Core Machine Orders (MoM%, YoY%)	-1/5.0	-1.2/4.3
	1100	BoJ Rate Decision	0.5	0.5
Indonesia	1530	BI rate	5.75	5.75
Thursday 20 March				
China	0900	Mar Loan Prime Rate 1Y	3.1	3.1
	0900	Mar Loan Prime Rate 5Y	3.6	3.6
Australia	0830	Feb Unemployment Rate	-	4.1
New Zealand	0545	Q4 GDP (QoQ%/YoY%)	-/-	-1/-1.5
Taiwan	1600	Interest Rate Decision	-	2
	1600	Feb Export Orders (YoY%)	-	-3
Friday 21 March				
Japan	0730	Feb CPI (MoM%/YoY%)	-0.6/3.4	0.5/4
	0730	Feb Core CPI (MoM%/YoY%)	-0.4/2.7	0.2/3.2
	0731	Feb Core-Core CPI (MoM%/YoY%)	0.1/2.6	0.1/2.5

Source: Refinitiv, ING

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