

Asia week ahead: Rate decisions in China, Japan, Indonesia and key data from China, Taiwan, and South Korea

No rate changes are expected from the People's Bank of China, Bank of Japan or Bank Indonesia. Key data releases include Chinese GDP, retail sales and fixed-asset investment, Japanese CPI and South Korean GDP



Asia Research Highlights of the Week

[India's external balances: stabilising amid tariff and INR pressures](#)

[Bank of Korea stands pat, ending its easing cycle, amid currency concerns](#)

[China's trade surplus surges to new highs on strong end to 2025](#)

[South Korea's labour market weakens, supporting central bank's dovish stance](#)

Japan: BoJ is expected to hold rates at 0.75% as policymakers release their quarterly outlook

Following its December rate hike, the Bank of Japan is widely expected to keep its policy rate unchanged at 0.75% on Friday. The markets will closely listen to Governor Ueda's assessment of how recent weakness in the JPY might affect inflation. Also, the BoJ will release its latest quarterly outlook report. GDP forecasts for FY25 and FY26 are expected to rise due to fiscal stimulus and robust global chip demand. Regarding the inflation outlook, government subsidies could ease some pressure temporarily, but higher wages, combined with a weaker JPY, are likely to keep core inflation above 2% in FY26 and FY27. The BoJ remains open to further rate hikes. But it won't rush its next move if we're right that inflation will moderate at least by the first half of 2026. Export growth in December is expected to be driven by the semiconductor and automotive sectors. Driven by strong exports and a recovery in investment, 4Q25 GDP is projected to rebound. December inflation, meanwhile, is expected to moderate significantly due to energy subsidy initiatives.

South Korea: Growth looking to decelerate as cash payout programme comes to an end

The highlight of South Korea's week should be 4Q25 GDP. We look for growth to decelerate to 0.4% quarter-on-quarter, seasonally adjusted, from the previous quarter's 1.3% gain. As the government's cash payout programme finishes, private consumption is likely to soften. Exports and facility investment should continue to improve, driven by strong chip performance.

Indonesia: BI expected to leave rates unchanged despite weaker growth

We expect Bank Indonesia to leave rates unchanged at 4.75% on Wednesday. A combination of weaker trade performance, widening rate differentials, and fiscal concerns drove the Indonesian rupiah lower against the US dollar in 2025, in line with our expectations. While our base case assumes another 50 bps of cuts this cycle to support growth, risks remain skewed toward a delay, as IDR remains under pressure.

China: No change expected on the loan prime rates despite expected Q4 GDP slowdown

China publishes its key economic data for December on Monday. The headliner will be the 2025 GDP read. We expect growth to slow to 4.5% year-on-year in the fourth quarter and end the year at 5.0% YoY overall. Activity data is likely to show that the domestic economy remains weak. Fixed-asset investment is likely to slip further into negative territory, to -3.2% YoY, and retail sales will slow to 0.9%. The bright spot should be industrial production, which we expect to rebound to 5.0% YoY, supported by external demand. Data on 70-city property prices is likely to show the deceleration trend continued through year-end. On Tuesday, we will get a loan prime rate update; we expect no change.

Taiwan: Exports expected to continue trending upward amid strong external demand

Taiwan releases its export orders and industrial production. We are looking for continued strong growth of 34.4% YoY to end the year. Export orders are worth monitoring closely to gauge any signs of a slowdown in the current export-driven growth. For industrial production, we are looking for a slight moderation in growth to 12.0% YoY, while still benefiting from strong external demand.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 19 January				
China	1000	Dec Fixed Asset Investment (YoY%. ytd)	-3.2	-2.6
	1000	Dec Industrial Output (YoY%)	5.0	4.8
	1000	Dec Retail Sales (YoY%)	0.9	1.3
	1000	Q4 GDP (YoY%)	4.5	4.8
South Korea	0500	Dec PPI (MoM%/YoY%)	-/-	0.3/1.9
Tuesday 20 January				
China	0900	Jan Loan Prime Rate 1Y	3	3
	0900	Jan Loan Prime Rate 5Y	3.5	3.5
Taiwan	1600	Dec Export Orders (YoY%)	34.4	39.5
Wednesday 21 January				
Indonesia	1530	Rate Decision	4.75	4.75
Thursday 22 January				
Japan	0750	Dec Exports (YoY%)	6.0	6.1
	0750	Dec Imports (YoY%)	3.0	1.3
	0750	Dec Trade Balance (JPY bn)	400	316.7
Australia	0830	Dec Unemployment Rate	4.3	4.3
South Korea	0700	Q4 GDP Growth Advance (QoQ%/YoY%)	0.4/2.2	1.3/1.8
Indonesia	1200	Dec M2 Money Supply (YoY%)	-	8.3
Taiwan	1600	Dec Unemployment Rate	-	3.35
Friday 23 January				
Japan	0730	Dec CPI (MoM%/YoY%)	-0.2/2.0	0.4/2.9
	0730	Dec Core CPI (YoY%)	2.4	3
	0830	Jan S&P Manufacturing PMI Flash	50.5	50
	0830	Jan S&P Services PMI Flash	52.0	51.6
	0830	Jan S&P Composite PMI Flash	52.0	51.1
	1100	BoJ Rate Decision	0.75	0.75
Australia	0600	Jan S&P Manufacturing PMI Flash	-	51.6
	0600	Jan S&P Services PMI Flash	-	51.1
	0600	Jan S&P Composite PMI Flash	-	51
South Korea	0500	Jan Consumer Confidence	111	109.9
Singapore	1300	Dec Core CPI (YoY%)	-	1.2
	1300	Dec CPI (YoY%)	1.2	1.2
Taiwan	1600	Dec Industrial Output (YoY%)	12.0	16.4
	1600	Dec Retail Sales (YoY%)	-	1.4
	1620	Dec Money Supply (YoY%)	-	5.1

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