Asia week ahead: Key data on South Korea, Japan, Taiwan, while China holds lending rate steady

The highlights of the week are data on South Korean GDP, Japanese inflation and Taiwanese industrial production and exports. China is expected to hold its prime lending rate steady

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Taiwan: Industrial production and exports expected to grow

Data on Taiwan's export orders, out Tuesday, is expected to show an additional acceleration in June to around 28.2% year on year. The economy's exports have consistently beaten forecasts this year.

On Wednesday, Taiwan releases industrial production data. IP has seen strong growth in the past few months, rising more than 20% YoY in April and May amid strong contributions from the tech sector. We expect this trend to continue in June with growth of around 26.8% YoY.

South Korea: Second-quarter GDP expected to rebound slightly

South Korea's second-quarter GDP is expected to rebound modestly by 0.3% quarter on quarter, seasonally adjusted, after a 0.2% contraction in the first quarter. Recent data suggests net exports will contribute positively to overall growth. Although exports have been quite volatile, they still recorded a gain thanks to strong orders for semiconductors, vessels, and pharma goods. Imports contracted due to falling global commodity prices. Consumption is likely to rebound, albeit modestly. A more significant recovery is anticipated from the third quarter, once the government's consumption voucher programme is implemented in late July. Construction, though, is expected to remain a drag on overall growth.

Japan: Tokyo CPI expected to edge lower

Tokyo consumer price index for July, out Friday, is expected to edge down to 3.0% YoY, while the core CPI should remain unchanged at 3.1%. We believe that food prices softened during the month, yet service and manufactured food costs are likely to rise. This reading will be closely watched by the Bank of Japan. Recent inflation prints have been stronger than the BoJ's expectations. It's likely that the BoJ will revise upward its inflation outlook for fiscal year 2025.

China: Loan prime rate expected to remain unchanged

It's a quiet week in China following last week's big monthly data dump. On Monday, no change is expected from the monthly update on the loan prime rates. Although continued downward price pressures and sluggish loan demand present a solid case for further easing, the People's Bank of China may opt to hold off until a more opportune window. We continue to expect one more 10bp rate cut and 50bp reserve-requirement-ratio cut before year-end.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
		Monday 21 July		
China	0900	Jul Loan Prime Rate 1Y	3	3,00
	0900	Jul Loan Prime Rate 5Y	3,5	3,50
		Tuesday 22 July		
Indonesia	1200	Jun M2 Money Supply (YoY%)	-	4,9
Taiwan	1600	Jun Unemployment Rate	-	3,3
	1600	Jun Export Orders (YoY%)	28,2	18,5
		Wednesday 23 July		
South Korea	0500	Jul BoK Consumer Sentiment Index	111	109
India	1930	M3 Money Supply	-	9,8
Singapore	1300	Jun Core CPI (YoY%)	-	0,6
	1300	Jun CPI (YoY%)	-	0,8
	1300	Jun CPI (MoM%) NSA	-	0,7
Taiwan	1600	Jun Industrial Output (YoY%)	26,8	22,6
	1620	Jun Money Supply - M2 (YoY%)	-	3,33
		Thursday 24 July		
Australia	0700	Jul Judo Bank Manufacturing PMI Flash	-	50,6
	0700	Jul Judo Bank Services PMI Flash	-	51,8
	0700	Jul Composite PMI Flash	-	51,6
South Korea	0700	Q2 GDP Growth Advance (QoQ%/YoY%)	0.3/0.3	-0.2/0
Philippines	1300	Jun Budget Balance (PHP bn)	-	-145
		Friday 25 July		
India	1930	FX Reserves (USD bn)	-	703
Japan	0730	Jul Tokyo Core CPI (YoY%)	3,1	3,1
	0730	Jul Tokyo CPI (YoY%)	3,0	3,1
Singapore	1300	Jun Manufacturing Output (MoM%/YoY%)	-/-	-0.4/3.9

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