

Asia week ahead: Tokyo inflation and retail sales from Japan, and industrial data from China and Taiwan

Japan releases key economic indicators, including Tokyo inflation, the unemployment rate, retail sales, and flash purchasing managers' indexes. Additionally, China will publish industrial profits figures, while Taiwan releases industrial production data



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Japan: Slight moderation of inflation expected

Tokyo inflation is the highlight of the week, while other data should suggest a modest recovery in

Japan's economy in the second quarter.

We expect the inflation rate to moderate slightly to 3.3% year on year in June from 3.4% in May, though it will remain at an elevated level. The government's release of stockpiled rice should help lower prices. However, it's important to note that other services prices, including rent, are likely to continue growing at a steady pace.

Labour market conditions are likely to remain tight, with the unemployment rate staying at 2.5% in May. Retail sales are expected to rise quite meaningfully, thanks to government subsidies and cash handouts. We believe that flash purchasing managers' indices (PMI) should show modest improvement in service PMI amid strong wage growth and government support. However, the manufacturing PMI is likely to decline further as uncertainty surrounding US tariffs grows.

China: Industrial profits data under the tariff impact

With the key monthly data behind us, the upcoming week will be quiet in terms of China data releases. May industrial profits data is set to be released on Friday. We will see if tariff impacts will drive profit growth back toward negative levels after two months of positive year-on-year growth in March and April.

Taiwan: Steady industrial production likely to continue

Next week's data will feature May industrial production, set for release on Tuesday. We expect YoY growth to cool a little after last month's surprise acceleration to 22.3% YoY, but for growth to continue at a very respectable 16.3% YoY. The information and electronics industry, led by semiconductor production, has been a main driver of industrial production in recent months. This trend is expected to continue.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 23 June				
Japan	0830	Jun Flash PMI composite	50.2	50.2
	0830	Jun Flash PMI manufacturing	49	49.4
	0830	Jun Flash PMI services	51.2	51
Indonesia	1200	May Money Supply (YoY%)	-	5.2
Singapore	1300	May Core CPI (YoY%)	-	0.7
	1300	May CPI (MoM%/YoY%)	-	-0.3/0.9
Taiwan	1030	Q1 Unemployment Rate Final	-	2.1
	1600	May Unemployment Rate	3.4	3.4
Tuesday 24 June				
South Korea	0500	Jun BoK Consumer Sentiment Index	103	101.8
Taiwan	1600	May Industrial Output (YoY%)	16.3	22.3
Thursday 26 June				
Philippines	1300	May Budget Balance	-	67.3
Singapore	1300	May Manufacturing Output (MoM%/YoY%)	-/-	5.3/5.9
Friday 27 June				
Japan	0730	Jun Tokyo Core CPI (YoY%)	3.4	3.6
	0730	Jun Tokyo CPI (YoY%)	3.3	3.4
	0730	May Unemployment Rate	2.5	2.5
	0750	May Retail Sales (MoM%/YoY%)	2.5/1	0.7/3.5
	Philippines	0900	May Imports (YoY%)	-
0900		May Exports (YoY%)	-	7
0900		May Trade Balance (USD mn)	-	-3494
China	0930	May Industrial Profits YTD (YoY%)	-	1.4

Source: Refinitiv, ING

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