

# Asia week ahead: Japan and Australia inflation and GDP updates on Philippines and Taiwan

The highlight of the week will be inflation reports in Japan and Australia, both of which are expected to show prices are cooling. Other key releases include GDP data from the Philippines and Taiwan, and industrial profits from China



## Asia Research Highlights of the Week

[South Korean GDP shrank in fourth quarter as fiscal stimulus fades](#)

[Slower inflation means only gradual Bank of Japan rate hikes](#)

[Japan exports rose despite US tariffs and China tensions](#)

## Australia: Risk of RBA hike remains despite expectations for cooling inflation

We expect both headline Australian CPI and trimmed mean CPI to ease slightly on a year on year basis. However, recent labour market data indicates continued strength. Any upside surprise in the CPI print could raise the likelihood of a near term rate hike by the Reserve Bank of Australia.

## Philippines: Growth to remain subdued amid slowing demand

Fourth-quarter GDP growth in the Philippines is expected to remain subdued at around 4.1%. This would reflect a deeper decline in government spending and further weakness in consumption, as indicated by softer retail sales and slowing credit growth during the quarter.

## Japan: Inflation data to cool amid softer food prices

The Tokyo CPI will be a major data point. We expect prices to slow to 1.7% year-on-year, the first time below 2% since November 2024. This would mainly be due to last year's high base of rice and energy prices. Softer energy and food prices should keep headline inflation easing in the first half of the year, while core inflation excluding energy will likely slow more gradually. Industrial production and retail sales are expected to decline in December. Export data for December indicated a slowdown in car manufacturing, though strong chip production helped offset some of the weakness.

## South Korea: Retail sales and chip output expected to improve

Weak fourth-quarter GDP growth in South Korea suggests manufacturing output in December likely contracted, mainly due to declining car production. Chip output, meanwhile, is expected to recover. Retail sales are expected to bounce back following a steep decline in November, driven by winter sales promotions and a rise in Chinese tourist arrivals.

## China: Industrial profits expected to improve despite profit pressure

Industrial profits data for December will be released on Tuesday. Profits in many industries have been under pressure. A slight improvement in momentum in the second half could turn overall profits growth slightly positive for the year.

## Taiwan: Strong Q4 growth expected to end the year

Taiwan releases its 4Q and full 2025 GDP data on Friday. We currently have a 6.2% YoY forecast for the fourth quarter, which would mean full year growth of 6.8% YoY. Risks to the forecast are skewed toward the upside, given strong trade data to close out the year. Full-year growth of over 7% is certainly on the table.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
<b>Monday 26 January</b>				
Japan	1300	Nov Leading Indicator Revised	-	109.8
<b>Tuesday 27 January</b>				
China	930	Industrial Profits (YTD)	-	0.1
South Korea	500	Jan Business Confidence Manufacturing	95	94.4
	500	Jan Business Confidence Non-manufacturing	92.5	93.2
Philippines	900	Dec Imports (YoY%)	-	-2
	900	Dec Exports (YoY%)	-	21.3
	900	Dec Trade Balance (USD bn)	-	-3.5
<b>Wednesday 28 January</b>				
India	1830	Dec Industrial Output (YoY%)	-	6.7
Australia	830	Dec CPI (YoY%)	3.2	3.4
	830	Dec RBA Trimmed Mean CPI (%YoY)	3.1	3.2
<b>Thursday 29 January</b>				
Philippines	1000	Q4 GDP (YoY%)	4.1	4.0
<b>Friday 30 January</b>				
Japan	730	Dec Tokyo Core CPI (YoY%)	2.1	2.3
	730	Jan Tokyo CPI (YoY%)	1.7	2.0
	730	Dec Unemployment Rate	2.6	2.6
	750	Dec Industrial Output (MoM%/YoY%)	-0.6/2.0	-2.7/-2.2
	1135	Dec Retail Sales (MoM%/YoY%)	-0.3/1.0	0.7/1.1
India	1930	FX Reserves (USDbn)	-	687.2
South Korea	700	Dec Industrial Production (MoM%/YoY%)	0.1/-4.0	0.6/-1.4
	700	Dec Retail Sales (MoM%)	1	-3.3
Philippines	1000	Dec PPI (YoY%)	-	0.1
Taiwan	1600	Q4 GDP Prelim (YoY%)	6.2	8.2

### Author

#### Deepali Bhargava

Regional Head of Research, Asia-Pacific

[Deepali.Bhargava@ing.com](mailto:Deepali.Bhargava@ing.com)

#### Lynn Song

Chief Economist, Greater China

[lynn.song@ing.com](mailto:lynn.song@ing.com)

#### Min Joo Kang

Senior Economist, South Korea and Japan

[min.joo.kang@ing.com](mailto:min.joo.kang@ing.com)

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