

Asia week ahead: Japan's month-end data, plus China's PMI

At the end of January, Japan will publish its month-end data, with the Bank of Japan paying particular attention to service prices. Additionally, China's PMI data and South Korean exports will be under close scrutiny



Japan: easing inflation and modest retail sales growth expected

There will be the usual month-end data dump from Japan. Inflation, labour, industrial production and retail sales will be released on the last day of January. The Tokyo CPI is expected to ease from 3.0% year-on-year in December to 2.6% YoY in January, as the government resumed its utility subsidy programme from January.

The Bank of Japan (BoJ) should keep a closer eye on service prices, which are expected to rise steadily on the back of improved household income conditions. Tight labour market conditions are expected to persist, with the unemployment rate remaining at 2.5%.

On the activity side, industrial production is expected to rise 2.6% month-on-month in December, mainly due to a technical payback from motor vehicle production, and a solid increase in core machinery orders suggests a rebound in machinery production. Meanwhile, retail sales growth is likely to gain, but at a slower pace, in December.

South Korea: January exports are likely to fall due to holidays

Trade data for January will be released on Saturday. Both exports and imports are expected to contract sharply in January mainly due to unfavourable calendar effects. The timing of the Lunar New Year usually causes volatility in January and February trade figures. This year, January trade should be more adversely affected due to an additional public holiday announced by the government.

Despite the sudden drop in exports, we expect a rebound in February. We believe that the working day-adjusted average export growth should remain positive but at a slower pace.

China: manufacturing PMI, industrial profits, and MLF decision

China enters the start of the Lunar New Year holiday period next week, and as a result, most of the key releases have been set for next Monday. The last major data release before then is the January PMI data out on Monday, one of the few indicators that is not released alongside February data. We are expecting a small uptick in the manufacturing PMI to 50.3, up from 50.1 in December.

Also out on the same day is China's December industrial profits data, which is likely to show industrial profits declined in YoY terms in 2024, and the MLF decision, which is expected to remain unchanged at 2.0%.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 27 January				
Hong Kong	1630	Dec Trade Balance (HKD bn)	-	-43.4
Tuesday 28 January				
Australia	0830	Dec NAB Business Confidence	-	-3
Singapore	1030	Q4 Unemployment Rate	-	1.9
Wednesday 29 January				
Japan	1300	Jan Consumer Confidence	38	36.2
Australia	0830	Q4 CPI (QoQ%/YoY%)	-/-	0.2/2.8
Thursday 30 January				
New Zealand	0545	Dec Trade Balance (NZD bn)	-	-0.437
	0545	Dec Imports	-	6.92
	0545	Dec Exports	-	6.48
Philippines	1000	Q4 GDP (QoQ%/YoY%)	-/-	1.7/5.2
Friday 31 January				
Japan	0730	Jan Tokyo Core CPI (YoY%)	2.3	2.4
	0730	Jan Tokyo CPI (YoY%)	2.6	3
	0730	Dec Unemployment Rate	2.5	2.5
	0750	Dec Industrial Output (MoM%/YoY%)	2.7/-0.5	-2.2/-1.9
	0750	Dec Retail Sales (MoM%)	1	1.9
	1300	Dec Housing Starts (YoY%)	-	-1.8
China	0930	Jan NBS Manufacturing PMI	50.3	50.1
	0930	Jan NBS Non-Manufacturing PMI	-	52.2
	0945	Jan Caixin Manufacturing PMI	-	50.5
Saturday 1 February				
South Korea	0800	Jan Trade Balance (USD bn)	-2	6.49
	0800	Jan Exports (YoY%)	-19	6.6
	0800	Jan Imports (YoY%)	-15	3.3

Source: Refinitiv, ING

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