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Asia week ahead: China’s Two Sessions grabs the spotlight

Next week, China s Two Sessions takes centre stage. Premier Li delivers the Government Work Report, detailing growth targets and priorities. We’ll also get PMI readings for China and Taiwan and inflation data for Taiwan and South Korea

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China: Two Sessions to set this year's growth target and policy priorities

Next week’s main event is China’s Two Sessions meeting. Markets will pay close attention to the Government Work Report, to be delivered by Premier Li Qiang on 5 March. It will announce China’s 2025 growth target and detail top-level policy priorities. We expect China to stick with its “around 5.0%” GDP goal, the same as 2024, while providing much-anticipated details on the direction of fiscal and monetary policies. On the data front, China's official purchasing managers’ index (PMI) for February is scheduled for Saturday morning. We expect a return to expansion at 50.1. The Caixin PMI follows on Monday. On Friday, we will get our first look at trade data in the first two months of 2025 from China Customs.

Taiwan: PMI and CPI data in focus

Taiwan's PMI data is set for release on Monday. On Friday, Taiwan releases February inflation data. We expect the consumer price index (CPI) to cool to around 2.2% year-on-year after a hotter-than-expected January gain of 2.6% YoY. Also, Taiwan's February trade data is scheduled for Friday afternoon. The Lunar New Year effect may cause a rebound to double-digit growth for YoY trade.

Korea: activity data likely to point to a sluggish start

Monthly activity data will be released on Tuesday. We expect industrial production to drop sharply by 4.0% month on month, seasonally adjusted, (vs 4.6% in December) partly due to the longer-than-usual Lunar New Year holiday. Yet, retail sales may rebound thanks to government shopping voucher programmes. Overall, activity data will likely show a sluggish start to the year, with output and investment falling as political turmoil dampens sentiment. Meanwhile, consumer price inflation is expected to ease to 1.9% YoY in February. Gasoline prices declined from the middle of the month, while food costs stabilised after the LNY holiday.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
		Monday 3 March		
Japan	0830	Feb Jibun Bank Manufacturing PMI Final	48.7	48.7
China	0945	Feb Caixin Manufacturing PMI	-	50.1
Indonesia	1200	Feb CPI (MoM%/YoY%)	-/-	-0.8/0.8
	1200	Feb Core CPI (YoY%)	-	2.4
Philippines	0830	Feb Manufacturing PMI SA	-	52.3
Singapore	2100	Feb Manufacturing PMI	-	50.9
Taiwan	0830	Feb S&P Global Manufacturing PMI	-	51.1
		Tuesday 4 March		
Japan	0730	Jan Unemployment Rate	2.4	2.4
	0750	Q4 Capital spending (YoY%)	5	8.1
Australia	0830	Q4 Current Account Balance (AUD bn)	-	-14.1
	0830	RBA Meeting Minutes	-	-
South Korea	0700	Jan Industrial Output (YoY%)	-2	5.3
	0700	Jan Industrial Output Growth	-4	4.6
	0830	Feb IHS S&P Global Manufacturing PMI	49.5	50.3
		Wednesday 5 March		
Japan	0830	Feb Jibun Bank Services PMI Final	53	53
Australia	0830	Q4 GDP (QoQ%/YoY%)	-/-	0.3/0.8
China	0945	Feb Caixin Services PMI	-	51
Philippines	0900	Feb CPI (MoM%/YoY%)	-/-	0.5/2.9
	0900	Feb Core CPI (YoY%)	-	2.6
Singapore	1300	Jan Retail Sales (MoM%/YoY%)	-/-	-1.5/-2.9
Taiwan	1620	Feb Foreign Exchange Reserve	-	577.583
South Korea	0700	Q4 GDP Growth (QoQ%/YoY%)	0.1/1.2	0.1/1.2
		Thursday 6 March		
Australia	0830	Jan Trade Balance (AUD bn)	-	5.09
Philippines	0900	Jan Unemployment Rate	-	3.10
South Korea	0700	Feb CPI (MoM%/YoY%)	0.1/1.9	0.7/2.2
		Friday 7 March		
China	1100	Jan-Feb Exports (YoY%)	0.7	10.7
	1100	Jan-Feb Imports (YoY%)	0.1	1
	1100	Jan-Feb Trade Balance (USD bn)	127.9	104.84
	1100	Feb FX Reserves (USD tn)	-	3.209
Indonesia	1100	Feb Forex Reserves (USD bn)	-	156.1
Philippines	1700	Feb Forex Reserves USD	-	103
Singapore	1700	Feb Foreign Reserves USD	-	376.7
Taiwan	1600	Feb CPI (YoY%)	2.2	2.66
	1600	Feb Imports (YoY%)	20.4	-17.2
	1600	Feb Exports (YoY%)	21.2	4.4
	1600	Feb Trade Balance (USD bn)	9.8	9.97

Source: Refinitiv, ING

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