

Asia week ahead: All eyes on Trump's reciprocal tariffs

Next week's main event is Donald Trump's reciprocal tariffs. We'll also get news on the US investigation of the Phase One Trade Agreement with Beijing, TikTok's fate, growth in China, Japan, South Korea and Taiwan and Australian rates



China: New tariff developments and PMI data

The main focus next week is new tariff developments. On top of President Trump's "Liberation Day" announcement of reciprocal tariffs, we should know results of the US investigation into China's imports under the Phase One Trade Agreement. The deadline for the probe is April Fool's Day; the results could be released on the day or soon after. While China is not necessarily a major focus of reciprocal tariffs, the results of the investigation could lead to additional actions.

Trump's moratorium on the TikTok ban is set to end on 5 April. This could make next week a key hinge point on the issue. Trump says that he would consider reducing China tariffs to get a TikTok deal done.

On the data front, next week's highlight is purchasing managers' index data. China's official PMI is out on Monday. We look for a small uptick in manufacturing to 50.4 from 50.2. The Caixin PMI follows on Wednesday. Markets are looking for a slight slowdown to 50.6 from 50.8. If this trend bears out, it would signal a more challenging environment for Chinese exporters.

Taiwan: Potential to avoid the worst-case scenario

Taiwan watchers will be eyeing 2 April closely to see how the island fares once the reciprocal tariffs are announced. Our view is that [Taiwan could avoid the worst of Trump's reciprocal tariffs](#) thanks to the announcement of high-profile investments in the US and the nature of its key exports to the US. The data schedule is reasonably light in the week ahead. On Tuesday, markets will pay close attention to whether Taiwan's manufacturing sector expands for a 12th consecutive month.

Australia: RBA likely to leave its policy rate unchanged

We expect the Reserve Bank of Australia to leave the cash rate unchanged on 1 April. Despite a weaker-than-expected consumer price index (CPI) reading for February, we estimate both the headline and trimmed CPI for the first quarter edged higher on a quarter-on-quarter basis. Still, elevated inflation readings and tariff risks will likely deter the RBA from delivering back-to-back rate cuts.

Japan: High inflation weighs on consumption

We expect industrial production to rebound thanks to increased auto production. Before reciprocal tariffs take effect, manufacturers might have revamped their production. Amid intensifying tariff threats, the Tankan survey of large manufacturing companies is expected to drop. However, the non-manufacturing survey is likely to advance amid strong wage growth. Meanwhile, consumption-related data should be on the soft side thanks to high food prices, especially Japan's main staple, rice. Retail sales and household spending should decline in February.

South Korea: Exports expected to pick up, but outlook remains cloudy

Based on weak February exports, we expect industrial production to stay unchanged compared to January. Auto output may have increased, but with gains offset by declines in IT output. However, we expect exports to recover in March thanks to solid gains in both semiconductor and car exports. Manufacturers are expected to send out shipments before the reciprocal tariffs become effective. However, local surveys suggest a cloudy outlook for manufacturers due to US trade policies. As such, the manufacturing PMI is likely to decline further. Meanwhile, inflation is expected to ease a bit. Manufactured food prices are likely to rise, yet recent drops in gasoline prices may partly offset increases.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 31 March				
China	0930 Mar	NBS Manufacturing PMI	-	50.2
	0930 Mar	NBS Non-Manufacturing PMI	-	50.4
Japan	0730 Feb	Unemployment Rate	2.5	2.5
	0750 Feb	Industrial Output (MoM%/YoY%)	2/2.8	-1.1/2.3
	0750 Feb	Retail Sales (YoY%)	3.3	3.9
	0750 Q1	Tankan Large Manufacturers Index	11	14
	0750 Q1	Tankan Large Non-manufacturers Index	34	33
South Korea	0700 Feb	Industrial Output (MoM%)	0	-2.3
Tuesday 1 April				
Japan	0830 Mar	Jibun Bank Manufacturing PMI	48.3	48.3
Australia	1130 RBA	Cash Rate	4.10	4.10
China	0945 Mar	Caixin Manufacturing PMI	-	50.8
Philippines	0830 Mar	Manufacturing PMI	-	51
Taiwan	0830 Mar	IHS S&P Global Manufacturing PMI	-	51.5
South Korea	0800 Mar	Exports (YoY%)	6.2	0.7
	0800 Mar	Imports (YoY%)	1.7	0.2
	0800 Mar	Trade Balance (USD bn)	7.0	4.3
	0830 Mar	IHS S&P Global Manufacturing PMI	49.0	49.9
Wednesday 2 April				
India	1300 Mar	IHS S&P Global Manufacturing PMI	-	57.6
Indonesia	0830 Mar	IHS S&P Global Manufacturing PMI	-	53.6
Philippines	1300 Feb	Budget Balance (PHP bn)	-	68.4
South Korea	0700 Mar	CPI Growth (MoM%/YoY%)	0/1.9	0.3/2
Singapore	2100 Mar	Manufacturing PMI	-	50.7
Thursday 3 April				
China	0945 Mar	Caixin Services PMI	-	51.4
Australia	0830 Feb	Trade Balance (AUD bn)	-	5.62
Friday 4 April				
Japan	0730 Feb	All Household Spending (MoM%/YoY%)	-1/0.3	-4.5/0.8
India	1300 Mar	IHS S&P Global Services PMI	-	57.7
Philippines	0900 Mar	CPI (MoM%/YoY%)	-/-	-0.2/2.1
Singapore	1300 Feb	Retail Sales (MoM%/YoY%)	-/-	2.4/4.5

Source: Refinitiv, ING

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