

Asia week ahead: RBA rate decision and key data on China, Japan, Korea, Taiwan, and Philippines

The Reserve Bank of Australia is expected to hold rates steady. Other highlights of the week include key data on China, Japan, South Korea, Taiwan and the Philippines



Australia: RBA expected to maintain the current rate

We expect the Reserve Bank of Australia to hold rates steady on Tuesday after third-quarter CPI inflation came in above expectations -- and the 2.5% midpoint of its target range. That's likely to outweigh a surprise uptick in September's unemployment rate, even as other labour market indicators still point to underlying strength.

South Korea: Inflation expected to rise, while export momentum remains strong

South Korean exports are expected to decline by 3.5% year-on-year in October, primarily due to an unfavourable calendar effect. Underlying momentum should appear robust, with a 6% increase in daily average exports. Semiconductors and ship exports are expected to remain strong, while auto exports are likely to decline. Although we expect the purchasing managers' index to decline slightly, as it was surveyed before the recent trade agreement, we believe the recovery in manufacturing is likely to continue. Consumer price inflation is expected to rise to 2.3% YoY in October as gasoline and manufactured food prices increase.

China: Trade growth expected to slow down

Last week's much-hyped Xi-Trump meeting led to a de-escalation of bilateral tensions. Next week should be a calmer one in China. The main data point will be the trade data on Friday. We expect export growth to slow to 4.0% YoY, and imports to edge down to 3.2% YoY, leading to a rebound of the trade surplus to \$101bn.

Taiwan: Inflation expected to remain below target while robust trade growth continues

Taiwan releases inflation and trade data. CPI inflation has been below target for the past 5 months. This should continue in October with only a moderate uptick to 1.4% YoY expected. Trade is expected to continue to post strong growth, with exports up 35.1% YoY and imports up 32.6% YoY for a trade surplus of \$10.4bn.

Japan: Labor earnings and household spending expected to grow despite inflation

Japanese labour earnings and household spending figures are projected to increase, suggesting that consumption remains stable despite elevated inflation levels. Strong wage negotiation outcomes may continue to contribute to higher wages, and the asset market rally could influence household spending.

Philippines: GDP growth expected to slow down sharply

We expect third-quarter Philippine GDP growth to slow sharply to 5.1%, primarily due to a significant decline in government spending. This follows corruption scandals associated with flood control projects. Business sentiment also took a hit in the third quarter, with tariff uncertainties adding to the drag on growth.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Saturday 1 November				
South Korea	0800	Oct Exports (YoY%)	-3,5	12,7
		Oct Imports (YoY%)	-4,3	8,2
		Oct Trade Balance (USD bn)	3,5	9,5
Monday 3 November				
China	0945	Oct Manufacturing PMI Final	-	51,2
Indonesia	0830	Oct S&P Global Manufacturing PMI	-	50,4
	1200	Oct Core CPI (YoY%)	-	2,2
	1200	Oct Inflation (MoM%/YoY%)	-/-	0.2/2.7
	1200	Sep Trade Balance (USD bn)	-	5,5
	1200	Sep Exports Growth (YoY%)	-	5,8
	1200	Sep Imports Growth (YoY%)	-	-6,6
Philippines	0830	Oct S&P Manufacturing PMI	-	49,9
Singapore	2100	Oct Manufacturing PMI	-	50,1
Taiwan	0830	Oct IHS S&P Global Manufacturing PMI	-	46,8
South Korea	0830	Oct S&P Global Manufacturing PMI	50,2	50,7
Tuesday 4 November				
Japan	0830	Oct Jibun Bank Manufacturing PMI	48,3	48,3
Australia	1130	Nov RBA Cash Rate	3,6	3,6
India	1300	Oct HSBC Global Manufacturing PMI	-	58,4
South Korea	0700	Oct CPI Growth (MoM%/YoY%)	0.2/2.3	0.5/2.1
Wednesday 5 November				
China	0945	Oct Services PMI	-	52,9
Indonesia	1200	Q3 GDP (QoQ%/YoY%)	-	4/5.1
Philippines	0900	Oct Core CPI (YoY%)	-	2,6
	0900	Oct CPI (MoM%/YoY%)	-1.9	0/1.7
Singapore	1300	Sep Retail Sales (MoM%/YoY%)	-/-	0.5/5.2
Taiwan	1620	Oct Foreign Exchange Reserve (USD bn)	-	602,9
Thursday 6 November				
Japan	0730	Sep Labour Cash Earnings (YoY%)	2	1,5
	0830	Oct Services PMI	52,4	52,4
	0830	Oct Composite PMI	50,9	50,9
India	1300	Oct IHS S&P Global Services PMI	-	58,8
South Korea	0700	Sep Current Account Balance NSA	-	9,15
Taiwan	1600	Oct CPI (YoY% NSA)	1,4	1,25
Friday 7 November				
China	-	Oct FX Reserves (USD tn)	-	3,3
	1100	Oct Exports (YoY%)	4	8,3
	1100	Oct Imports (YoY%)	3,2	7,4
	1100	Oct Trade Balance (USD bn)	101	90,5
Japan	0730	Sep All Household Spending (YoY%)	2,7	2,3
India	0730	FX Reserves (USD bn)	-	702
Indonesia	1100	Oct FX Reserves (USD bn)	-	148,7
Philippines	1000	Q3 GDP (QoQ%/YoY%)	-5.1	1.5/5.5
	1700	Oct Forex Reserves (USD bn)	-	108,8
Singapore	1700	Oct Foreign Reserves (USD bn)	-	393,1
Taiwan	1600	Oct Imports (YoY%)	32,6	25,1
	1600	Oct Exports (YoY%)	35,1	33,8
	1600	Oct Trade Balance (USD bn)	10,4	12,4

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