Asia week ahead: 3Q GDP season kicks off

China GDP numbers will be the highlight next week but we'll also be keeping an eye out for trade numbers from Japan and Thailand to see if they confirm the export-led recovery story

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China 3Q report card

China's 3Q20 GDP report will be the highlight of next week. GDP will be out on Monday alongside September activity data on industrial production, retail sales, fixed-asset investment. The Peoples Bank of China also reviews its one- and five-year loan prime rates next week.

Higher manufacturing PMI in September heralded firmer industrial production, while strong industrial profits growth in recent months likely pulled fixed-asset investment growth back into positive territory in September. A surge in spending ahead of the long National Day holiday and the government's drive to promote cross-provincial tourism should support retail sales too. While there was ample banking sector liquidity supporting the domestic economic activity, external demand also continued to improve, as data earlier this week showed.

All this suggests that the third-quarter GDP performance should be better than that of the second quarter, imparting upside risk to our house forecast of 2.5% YoY GDP growth in the last quarter (3.2% in 2Q). We don't see any reason why the PBOC should alter the current monetary policy setting.

Export-led recovery

September CPI inflation and external trade figures crowd the calendar for the rest of the region. We don't think anybody cares about inflation, which has been negative or close to zero in much of the region, especially in the reporting countries next week -- Japan, Hong Kong, Malaysia and Singapore.

Japan and Thailand will release trade figures for September. We take a cue from firmer exports elsewhere in the region and look for the same in these two countries, though their export growths are yet to turn the corner into positive territory.

Taiwan's export orders will be a key indicator of electronics-led recovery coming into the final quarter of the year.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 19 October			
China	0300	3Q GDP (YoY%)	2.5	5.5	3.2
	0300	Sep Industrial Production (YoY%)	5.6	5.8	5.6
	0300	Sep Retail Sales (YoY%)	0.4	1.9	0.5
	0300	Sep Fixed asset investment (YTD, YoY%)	0.8	0.9	-0.3
		Tuesday 20 October			
China	0230	Sep New home prices (YoY%)	4.5	-	4.7
	0230	1-year Loan Prime Rate (%)	3.85	-	3.85
	0230	5-year Loan Prime Rate (%)	4.65	-	4.65
Taiwan	0900	Sep Export orders (YoY%)	12	-	13.59
South Korea	2200	Sep PPI (YoY%)	-	-	-0.5
		Wednesday 21 October			
Malaysia	0500	Sep CPI (YoY%)	-1.3	-	-1.4
		Thursday 22 October			
Hong Kong	0815	Sep CPI (YoY%)	-0.3	-	-0.4
Taiwan	0900	Sep Unemployment rate (%)	3.8	-	3.8
Malaysia	0800	Oct 15 Forex reserves- Month end (US$bn)	-	-	105.0
Philippines	-	Sep Budget balance (PHP bn)	-86.7	-	-40.074
Thailand	0430	Sep Exports (Cust est, YoY%)	-3	-	-7.94
	0430	Sep Imports (Cust est, YoY%)	-18	-	-19.7
	0430	Sep Trade surplus (Cust est, US$bn)	4.1	-	4.3
		Friday 23 October			
Singapore	0600	Sep CPI (YoY%)	-0.3	-	-0.4
	0600	Sep CPI core (YoY%)	-0.3	-	-0.3
Taiwan	0900	Sep Industrial production (YoY%)	6.1	-	4.7
	0920	Sep Money supply (M2) (YoY%)	-	-	6.69

Source: ING, Bloomberg, *GMT

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