

Asia week ahead: At the mercy of weak exports

Big data week in China and Japan next week. The numerous trade releases will be gleaned for Asia's export resilience, which seems to have ended



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Export-led slowdown

China's May data flow begins on 7 June, with trade figures, and inflation and monetary indicators over the course of next week.

The May Day holidays are expected to instil some slack in economic activity, but otherwise, data should indicate that Asia's biggest economy is on the recovery path, thanks to stimulus policies.

However, the recovery remains at the mercy of global demand that's currently getting a pretty strong beating from the Covid-19 pandemic.

This imparts a downside risk to our house forecast of only a modest dip in Chinese exports in May, by -1.7% year-on-year. The monetary data will be gleaned for signs the substantial stimulus is trickling down to support domestic demand.

It's also a big data week in Japan, crowded by April economic indicators, which should shed some light on GDP growth in the current quarter. No point guessing that it's going to be any better than -0.9% QoQ (seasonally adjusted) in 1Q20, for which the second estimate is also due next week.

Like China, Taiwan and the Philippines trade figures are also likely to show accelerating export weakness. The same goes for Malaysia and India's manufacturing releases after these countries saw the worst fall in exports by -24% YoY and 60% respectively in April.

For a change, there are no significant policy events scheduled from regional economies next week, though don't be surprised if something suddenly springs up in these uncertain times.

Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Sun 7 June				
China	0300 May Forex Reserves (US\$bn)	3090	-	3091.4
	0400 May Exports (%YoY)	-1.7	-	3.5
	0400 May Imports (%YoY)	-5.7	-	-14.2
	0400 May Trade balance (US\$bn)	47.3	-	45.3
Monday 8 June				
Taiwan	0900 May Exports (YoY%)	-4.8	-	-1.3
	0900 May Imports (YoY%)	3.0	-	0.5
	0900 May Trade balance (US\$bn)	2.5	-	2.3
India	- Current account balance (US\$bn)	-8.1		-1.4
Wednesday 10 June				
China	0230 May PPI (YoY%)	-3.6	-3.2	-3.1
	0230 May CPI (YoY%)	3.0	2.6	3.3
	- May Aggregate finance (Yuan bn)	2500	-	1697.8
	- May Financial institution loans (Yuan bn)	1400	-	3094.1
	- May Money supply (M2) (YoY%)	11.1	11.2	11.1
Philippines	0200 Apr Exports (YoY%)	-	-	-24.9
	0200 Apr Imports (YoY%)	-	-	-26.2
	0200 Apr Trade balance (US\$mn)	-	-	-2380
South Korea	0000 May Unemployment rate (% SA)	4.2	-	3.8
Thursday 11 June				
Malaysia	0500 Apr Industrial production (YoY%)	-25.0	-	-4.9
Friday 12 June				
India	1300 May CPI (YoY%)	5.8	-	5.8
	1300 Apr Industrial production (YoY%)	-33.5	-	-16.7

Source: ING, Bloomberg, *GMT