

Asia week ahead: Australian and Indian central bank meetings

As two central bank meetings are likely to pass as non-events, the markets will be left to ponder a flood of economic activity data from around the region



Source: Shutterstock

➔ Central bank meetings

The Reserve Bank of Australia (RBA) reviews policy next week, Tuesday, 1 December. The central bank is missing important data though on which to base its policy decision – the country's 3Q20 GDP figure which will be out just a day later than the policy meeting. Whatever the 3Q GDP outcome (ING forecasts +2.5% quarter-on-quarter vs. -7% in 2Q), it's still history and

doesn't reflect current trends. And, having cut the Cash Rate by 15 basis points to 0.10% at the November meeting, it's hard to see the RBA moving the policy rate again in less than a month. Reinforcing this view further is the latest [labour report for October](#) with a 179,000-strong surge in employment, hinting at a faster economic recovery in the current quarter.

The Reserve Bank of India (RBI) meets on Friday, 4 December. The persistently weak growth and accelerating inflation dynamics have put this central bank in a jam, in our view. As covered in this space a week ago, India's 3Q GDP data out this Friday (27 November) will underscore the need for more policy support (ING's 3Q GDP forecast is -12% YoY). But the counter-argument is still-high CPI inflation. Inflation has stayed above the RBI's 6% policy limit in all but one month in the year through October (7.6% in October). As these divergent growth-inflation trends are likely to be stretched well into 2021, stable RBI rate policy throughout the next year seems to be the safest wager for now.

➔ Busy data pipeline

A typical market focus around the turn of the month is the Purchasing Manager Indices. China's PMIs are more market-sensitive than most other countries'. So, we will have November China PMI releases on Monday setting the tone for regional and global markets.

We think the recent pattern of services outperforming manufacturing activity in China was intact in November as weak global demand due to the second Covid-19 outbreak weighed on exports. Korea's November trade figures, the first in the region for this month, will bring more information about global demand, especially the electronics cycle, given some signs of tapering in the electronics upcycle lately.

Meanwhile, Korea and Japan's October manufacturing data will shape expectations for their GDP performance in the fourth quarter. And the October retail sales from Hong Kong and Singapore, together with a raft of November CPI inflation releases elsewhere, will inform about the private consumption recovery. The downside risk to regional economies has increased, however, with the recent surge in Covid-19 cases around the globe.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 29 November					
South Korea	2300	Oct Industrial Output (MoM/YoY%)	0.4/3.3		5.4/8.0
Monday 30 November					
China	0100	Nov NBS Non-Manufacturing PMI	55.7		56.2
	0100	Nov NBS Manufacturing PMI	51.5		51.4
	0100	Nov Composite PMI	-		55.3
India	1200	Q2 GDP Quarterly (YoY%)	-		-23.9
Malaysia	0400	Oct Exports (%YoY)	-4.5		13.6
	0400	Oct Imports (%YoY)	-9.5		-3.6
	0400	Oct Trade balance (RM bn)	20.4		22.0
Thailand	0730	Oct Current Account (US\$bn)	1.1		1.31
South Korea	2300	Q3 GDP Growth (QoQ/YoY%)	-/-	-	1.9/-1.3
Tuesday 1 December					
China	0145	Nov Caixin Manufacturing PMI Final	53.7		53.6
India	0500	Nov IHS Markit Manufacturing PMI	-		58.9
Hong Kong	0830	Oct Retail Sales (YoY%)	-9.9		-12.9
Malaysia	0030	Nov IHS Markit Manufacturing PMI	-		48.5
Indonesia	0030	Nov IHS Markit PMI	-		47.8
		- Nov Inflation (YoY%)	1.5	-	1.44
Philippines	0030	Nov Manufacturing PMI SA	49.1		48.5
Taiwan	0030	Nov IHS Markit Manufacturing PMI	54		55.1
Thailand	0030	Nov Manufacturing PMI SA	-		50.8
South Korea	0000	Nov Exports (YoY%)	10.5		-3.8
	0000	Nov Imports (YoY%)	0.5		-5.6
	0000	Nov Trade Balance (US\$bn)	7.6		5.8
	0030	Nov IHS Markit Manufacturing PMI	51.5		51.2
	2300	Nov CPI (% YoY)	0.2		0.1
	2300	Nov CPI core (% YoY)	0.0		0.1
Wednesday 2 December					
Thursday 3 December					
China	0145	Nov Caixin Services PMI	-		56.8
India	0500	Nov IHS Markit Services PMI	-		54.1
Singapore	1300	Nov Manufacturing PMI	-		50.5
Thailand	0300	Nov Consumer Confidence Idx	-		50.9
South Korea	2300	Oct Current Account Bal NSA	7.6		10.21
Friday 4 December					
India	0615	Cash Reserve Ratio	3.00		3.00
	0615	Repo Rate	4.00		4.00
	0615	Reverse Repo Rate	3.35		3.35
Philippines	0100	Nov CPI (YoY%)	2.7	-	2.5
Singapore	0500	Oct Retail Sales (MoM/YoY%)	1.0/-8.3	-	-4.5/-10.8
Taiwan	0820	Nov Foreign Exchange Reserve	501.5		501.2
Thailand		- Nov CPI Inflation (YoY%)	-0.4		-0.5
		- Nov CPI Core Inflation (YoY%)	-		0.19

Source: ING, Refinitiv, *GMT

Author

Olivia Grace

Editor

olivia.grace@ing.com

Julian Geib

Junior Economist, Global Trade

julian.geib@ing.de

Zoltán Homolya

Economic research trainee
zoltan.homolya@ing.com

Amrita Naik Nimbalkar
Junior Economist, Global Macro
amrita.naik.nimbalkar@ing.com

Mateusz Sutowicz
Senior Economist, Poland
mateusz.sutowicz@ing.pl

Alissa Lefebvre
Economist
alissa.lefebvre@ing.com

Deepali Bhargava
Regional Head of Research, Asia-Pacific
Deepali.Bhargava@ing.com

Ruben Dewitte
Economist
+32495364780
ruben.dewitte@ing.com

Kinga Havasi
Economic research trainee
kinga.havasi@ing.com

Marten van Garderen
Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song
Chief Economist, Greater China
lynn.song@ing.com

Michiel Tukker
Senior UK & Eurozone Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Senior Economist, Healthcare & Technology

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Senior Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Deputy Global Head of Editorial and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporate Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

Raoul Leering

Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research
+44 20 7767 6209

Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

James Knightley

Chief International Economist, US

james.knightley@ing.com

Tim Condon

Asia Chief Economist

+65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist

+31 20 563 8801

martin.van.vliet@ing.com

Karol Pogorzelski

Senior Economist, Poland

Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist

+44 20 7767 6405

viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content

+44 (0) 207 767 5331

owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone

peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE

chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM

+1 646 424 6464

gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance

+44 20 7767 5306

carlo.cocuzzo@ing.com