

Asia week ahead: Bank Indonesia and Bangko Sentral ng Pilipinas likely to extend pause

Bank Indonesia and Bangko Sentral ng Pilipinas meet next week and we expect both to leave policy settings untouched



BI and BSP likely to extend pause

Bank Indonesia (BI) and the Bangko Sentral ng Pilipinas (BSP) both hold policy meetings next week. Moderating inflation coupled with the Federal Reserve hold at the June meeting means we are expecting both BI and BSP to hold rates steady. BI has been on hold since February, while this will be the second straight meeting that the BSP will leave the policy rate at 6.25%.

We expect BI Governor Perry Warjiyo and BSP Governor Felipe Medalla to be on hold in the near term while assessing the outlook for the Fed.

China rates to dip post PBoC cut

Loan prime rates in China are set to track the recent cut from the People's Bank of China (PBoC). Thus, we are looking for the 1Y loan prime rate to fall to 3.55% (from 3.65%) and the 5Y loan prime rate to settle at 4.2%.

Japan inflation and PMI numbers out next week

Nationwide CPI inflation and PMI indices are due for release in Japan next week. Recently reported Tokyo CPI inflation numbers suggest that we could see a similar downtrend in the national figures with headline inflation possibly dipping to 3.2% year-on-year from 3.5%. Core inflation excluding food and energy however could be sticky and remain close to the 4% range.

PMI indices recently posted record levels of expansion but we feel that we could see a reversal in June. Despite this potential pullback, we still expect both the services and manufacturing indices to report a solid expansion.

Asia Economic Calendar

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
Tuesday 20 June					
China	0215	Jun Loan Prime Rate 1Y	3.55		3.65
	0215	Jun Loan Prime Rate 5Y	4.2		4.3
Thursday 22 June					
Australia	0000	Jun Manufacturing PMI Flash	-		48.4
	0000	Jun Services PMI Flash	-		52.1
	0000	Jun Composite PMI Flash	-		51.6
Indonesia	0800	Jun 7-Day Reverse Repo	5.75		5.75
Philippines	0800	2 Policy Interest Rate	6.25		6.25
Friday 23 June					
India	1230	Q1 C/A Balance (USD bn)	-		-18.2
	1230	Q1 Balance Payments (USD bn)	-		11.1
Japan	0030	National CPI (YoY%)	3.2		3.5
	0130	June Manufacturing PMI Flash	50		50.6
		June Service PMI Flash	55		55.9
		June Composite PMI Flash	53.5		54.3
Singapore	0600	May Core CPI (YoY%)	5		5
	0600	May CPI (YoY%)	5.6		5.7

Source: Refinitiv, ING

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