

Asia week ahead: Bank of Korea in the spotlight

Data may show that confidence is weakening in South Korea but the central bank will likely do nothing about it. Industrial production and trade releases dominate the calendar for the rest of Asia



Source: Shutterstock

➔ Korea: Central bank stays on hold

The Bank of Korea meets on Thursday, 27 August. After cutting interest rates by a total of 125 basis points, to 0.50%, in the year through May, the BoK paused at the last meeting held in July. We don't think they will move next week either, which is also the broad consensus.

Just days ahead of this decision are the central bank's monthly confidence indicators. Both

consumer and business confidence indices may exhibit some weakness amid resurgent Covid-19 cases since the previous week. A possible second wave outbreak may tip the balance towards easier macro policy, though our house view remains that the BoK easing cycle has run its course.

➔ Rest of Asia: Manufacturing data dominates

Industrial production and trade releases dominate the calendar for the rest of Asia.

China's industrial profits growth might have softened a bit in July, though the markets should take some comfort from the fact that it remained positive for a third straight month, signalling firming activity and the improved prospect of investment spending. In Hong Kong, trade figures should reveal the pinch from the escalation of US-China tensions over the territory's autonomy.

Taiwan's industrial production should have benefited from firmer exports in July, though that might not be the case in other countries reporting their IP data next week. We see continued negative year-on-year IP growth in Singapore and Thailand, though some of this is also due to the base effect.

Malaysia and Thailand report trade figures for July. We believe a surprising bounce in Malaysia's exports in June was reversed in July, though, as elsewhere, some of this is the base effect noise. In Thailand, we see nothing in the trade data to ease the authorities' discomfort about the strong currency potentially threatening the recovery in exports and tourism. July was another month with a big trade surplus, as import weakness outweighed export weakness.

Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 24 August				
Singapore	0600 Jul CPI (YoY%)	-0.7	-0.5	-0.5
	0600 Jul CPI core (YoY%)	-0.3	-	-0.2
Taiwan	0900 Jul Industrial production (YoY%)	3.8	-	7.3
	0900 Jul Unemployment rate (%)	3.8	-	4.0
	0920 Jul Money supply (M2) (YoY%)	5.1	-	5.4
Thailand	0430 Jul Exports (Cust est, YoY%)	-	-	-23.2
	0430 Jul Imports (Cust est, YoY%)	-	-	-18.1
	0430 Jul Trade balance (US\$bn)	2.39	-	1.61
South Korea	2200 Aug BOK Consumer Sentiment Index	83.0	-	84.2
Tuesday 25 August				
Philippines	- Jul Budget balance (PHP bn)	-91.3	-	1.77
Thailand	- Jul Manufacturing index (YoY%)	-13.9	-	-17.7
South Korea	2200 Sep BOK Business Survey Index, mfg	59.0	-	57.0
	2200 Sep BOK Business Survey Index, non-mfg	60	-	60.0
Wednesday 26 August				
Hong Kong	0930 Jul Exports (YoY%)	-5.3	-	-1.3
	0930 Jul Imports (YoY%)	-6.7	-	-7.1
	0930 Jul Trade balance (HK\$ bn)	-25.2	-	-33.34
Singapore	0600 Jul Industrial production (MoM/YoY%)	6.1/-5.0	-/-	0.2/-6.7
Thursday 27 August				
China	0230 Jul Industrial profits (YoY%)	7.3	-	11.5
South Korea	- 7-Day Repo Rate	0.5	-	0.5
Friday 28 August				
Malaysia	0500 Jul Exports (YoY%)	-15.0	-	8.83
	0500 Jul Imports (YoY%)	-12.0	-	-5.57
	0500 Jul Trade balance (RM bn)	9.9	-	20.89

Source: ING, Bloomberg, *GMT

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro

amrita.naik.nimbalkar@ing.com

Mateusz Sutowicz

Senior Economist, Poland

mateusz.sutowicz@ing.pl

Alissa Lefebre

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@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michieltukker@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

Sector Economist, TMT & Healthcare

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@asia.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

Senior Editor 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

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

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 Corporates 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

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

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@asia.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, Germany, 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