

## Asia Week Ahead: Bank of Korea rate hike in the offing

A policy meeting in Korea, GDP figures from Singapore and inflation figures from China and India are next week's highlights



One of the main highlights of the Asian economic calendar next week is the Bank of Korea's policy setting meeting. With a new member of the monetary policy board, Park Ki Young, forecasting the result is a little harder as there is no voting history to go by. But the economic backdrop is supportive of a hike. Above target inflation, reasonable economic activity but a very weak currency, make us think that there is a chance the BoK will not wait until November, as the consensus believes, but will hike again at this October meeting.

There is also food for thought for other central banks – the Reserve Bank of Australia has been adamant about maintaining its accommodative stance and will probably find some further excuse to continue that, with another set of likely weak employment figures (stemming from the latest round of lockdowns) justifying a continuation of their dovish guidance. Still, a strong pick-up in vaccination rates may quickly result in this situation changing in the months ahead.

India's Reserve Bank, meanwhile, may take some comfort from CPI inflation falling back below 5% year-on-year in September, though with energy and imported commodity prices rising and the rupee weakening, this trend may be short-lived.

Trade data for both the Philippines and Indonesia are also set for release next week. We expect Indonesia's trade balance to remain in surplus for another month as exports benefit from higher commodity prices. But the Philippines will likely see its trade deficit widen as imports rebound after mobility restrictions were relaxed.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 11 October</b>					
China	-	Sep M2 Money Supply (YoY)	-	8.2	8.2
	-	Sep FDI (YTD)	-		22.3
Indonesia	0500	Aug Retail Sales Index (YoY)	-		-2.9
<b>Tuesday 12 October</b>					
Japan	0050	Sep M2 Money Supply (YoY%)	4.3	4.3	4.7
India	1300	Sep CPI Inflation (YoY%)	4.8	4.5	5.3
	1300	Aug Industrial Output (YoY%)	12.1	12.2	11.5
Philippines	0200	Aug Exports (YoY%)	14.6		12.7
	0200	Aug Imports (YoY%)	21.2		24
	0200	Aug Trade Balance	-3004		-3290
South Korea	0200	Oct Bank of Korea Base Rate	1	0.75	0.75
	0000	Sep Unemployment Rate	3.1		2.8
<b>Wednesday 13 October</b>					
China	-	Sep Exports	-		25.6
	-	Sep Imports	-		33.1
	-	Sep Trade Balance	-		58.3
<b>Thursday 14 October</b>					
Australia	0130	Sep Unemployment Rate	4.5		4.5
Australia	0130	Employment change (total, in 000s)	-125		-146
China	0230	Sep CPI (MoM%/YoY%)	-		0.1/0.8
India	0730	Sep WPI Inflation (YoY%)	-		11.39
Singapore	0100	Q3 GDP Flash (QoQ%/YoY%)	-/-		-7.2/14.7
<b>Friday 15 October</b>					
India	1230	Sep Fiscal Deficit - USD	-		22.9
	1230	Sep Imports - USD	-		56.4
	1230	Sep Exports - USD	-		33.4
Indonesia	0500	Sep Consumer Confidence Index	-		77.3
	0500	Sep Trade Balance (Bln of \$)	2.62		4.7
	0500	Sep Exports Growth (YoY%)	26.1		64.1
	0500	Sep Imports Growth (YoY%)	29.4		55.3

Source: Refinitiv, ING, \*GMT

## Author

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.