

Asia week ahead: Japan's GDP and central bank meetings

China, Indonesia and the Philippine central bank to meet next week, but all of them will take a pause. And Japan's moment of truth arrives with second-quarter GDP numbers too



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Japan's second quarter GDP report card

The data calendar for Japan is loaded next week, with the 2Q20 GDP release the main highlight.

2Q20 GDP is expected to contract by more than 20% (saar), much worse than the -2.2% recorded in 1Q. Japan trade data for July will also be released, and will also point to contraction as the global economy continues to run soft due to the pandemic.

Central bank meetings: Hitting the pause button for now

A couple of central banks will be meeting next week, but all of them are expected to take a pause.

The People's Bank of China will likely keep policy unchanged with monetary authorities actually tightening via open market operations for most of July and August.

Indonesia's central bank is scheduled to meet with Governor Warjiyo probably pausing after a recent rate cut to help provide some stability for the IDR.

The Philippine central bank is also widely expected to keep rates steady after Governor Diokno signalled no rate cuts to come in the next two quarters.

Inflation: Subdued as economic engines grind to a halt

CPI inflation will be released for Japan, Malaysia and Hong Kong with all likely to remain subdued as economic activity remains constrained by social distancing, labour market uncertainty and poor consumer sentiment.

Malaysia will likely report another month of negative inflation (July inflation at -1.8%) while Hong Kong and Japan inflation should remain below 1%

Rest of Asia: Thailand in recession, trade data still reflecting global slowdown

Thailand's 2Q GDP should confirm a recession with the economy forecasted to contract by 12.8% after the -1.8% 1Q GDP report.

Trade data for the region rounds out data releases for the coming week and will likely reflect the ongoing weakness in the global economy. Indonesia's exports may revert to negative territory after the surprise expansion in June while trade figures out from Japan and the Philippines should remain weak in year-on-year terms due to depressed global demand.

Asia Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|----------------------------|------|--|-------------|--------|-----------|
| Monday 17 August | | | | | |
| Philippines | - | Jun OCW remittances (YoY%) | -18.7 | - | -19.3 |
| Singapore | 0130 | Jul Non-oil domestic exports (MoM/YoY%) | 0.6/4.1 | -/- | 0.5/16.1 |
| Thailand | 0330 | 2Q GDP (QoQ/YoY%) | -10.9/-12.8 | -/- | -2.2/-1.8 |
| Tuesday 18 August | | | | | |
| Indonesia | 0500 | Jul Trade balance (US\$mn) | -409.1 | - | 1267 |
| | 0500 | Jul Exports (YoY%) | -13.9 | - | 2.3 |
| | 0500 | Jul Imports (YoY%) | -11.6 | - | -6.4 |
| Wednesday 19 August | | | | | |
| Indonesia | 0820 | Aug 19 BI policy decision (7-day reverse repo, | 4 | - | 4.0 |
| Thursday 20 August | | | | | |
| India | 1230 | India RBI Minutes | | | |
| Philippines | 0900 | Overnight Borrowing Rate | 2.25 | - | 2.25 |
| Taiwan | 0900 | Jul Export orders (YoY%) | 7 | - | 6.5 |
| | 0920 | 2Q Current account balance (US\$bn) | 19.8 | - | 18160 |
| South Korea | 2200 | Jul PPI (YoY%) | -0.7 | - | -0.9 |
| Friday 21 August | | | | | |
| Malaysia | 0500 | Jul CPI (YoY%) | -1.8 | - | -1.9 |
| | 0800 | Aug 14 Forex reserves- Month end (US\$bn) | - | - | 104.2 |

Source: ING, Bloomberg, *GMT

