

## 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.
<b>Monday 17 August</b>					
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
<b>Tuesday 18 August</b>					
Indonesia	0500	Jul Trade balance (US\$m)	-409.1	-	1267
	0500	Jul Exports (YoY%)	-13.9	-	2.3
	0500	Jul Imports (YoY%)	-11.6	-	-6.4
<b>Wednesday 19 August</b>					
Indonesia	0820	Aug 19 BI policy decision (7-day reverse repo,	4	-	4.0
<b>Thursday 20 August</b>					
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
<b>Friday 21 August</b>					
Malaysia	0500	Jul CPI (YoY%)	-1.8	-	-1.9
	0800	Aug 14 Forex reserves- Month end (US\$bn)	-	-	104.2

Source: ING, Bloomberg, \*GMT

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