

## Asia week ahead: Central bankers get busy

South Korea, Indonesia and New Zealand's central bank hold policy meetings next week, alongside data shedding light on Asia's growth-inflation dynamic



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### ➔ Three central bank meetings

Central banks of South Korea, Indonesia and New Zealand meet next week. We share the market consensus of all three leaving their current policy settings unchanged.

Although inflation has started to accelerate, the threat from Covid-19 is far from over. Central bank policies around the region remain focused on supporting growth rather than curbing inflation given

that the latter is pretty much a transitory phenomenon, which likely warrants policy status quo throughout the year.

Yes, the increasing noise about the timing of tapering from the Federal Reserve may get Asian central bankers thinking about eventual dialling down of policy support, though that's not something we foresee happening in Asia at least until 2022.

## ➔ And lots of activity data for April

In the barrage of economic data for April, industrial production and trade releases standouts as they shed light on GDP growth coming into 2Q20. The recovery from last year's record slump is taking place. However, it's nothing more than the base effects flattering the year-on-year activity growth while the pandemic continues to weigh down underlying recovery in demand.

There are also a couple of price indicators on the way to reinforce the accelerating inflation trend. However, as noted earlier, this is just a passing phase, driven by the base effects rather than any demand-pull pressure on inflation. The forward-looking data on consumer and business confidences will inform where these growth and inflation trends are headed.

## Asia Economic Calendar

Country	Time Data/event	ING Survey	Prev.
<b>Monday 24 May</b>			
Singapore	0600 Apr Core CPI (YoY%)	0.8	0.5
	0600 Apr CPI (YoY%)	1.9	1.3
Taiwan	0900 Apr Industrial Output (YoY%)	26	16.78
	0900 Apr Unemployment rate (%)	3.7	3.72
	0920 Apr Money Supply - M2 (YoY%)	8.9	8.91
Thailand	0500 Apr Manufacturing Prod (YoY%)	14.00	4.12
South Korea	2200 May BoK Consumer Sentiment Index	102.5	102.2
<b>Tuesday 25 May</b>			
Indonesia	0800 May 7-Day Reverse Repo	3.5	3.5
Philippines	- Apr Budget Balance	-24.3	-191.4
Singapore	0100 Q1 GDP Final (QoQ/YoY%)	2.7/0.9	2.0/0.2
	0600 Apr Manufacturing Output (MoM/YoY%)	-0.6/2.1	-1.7/7.6
South Korea	2200 Jun BOK Manufacturing BSI	99.0	98.0
	2200 Jun BOK Non-Manufacturing BSI	84.0	82.0
<b>Wednesday 26 May</b>			
Malaysia	0500 Apr CPI (YoY%)	4.8	1.7
<b>Thursday 27 May</b>			
China	0230 Apr Industrial Profit (YoY%)	71.8	92.3
Hong Kong	0930 Apr Imports (YoY%)	31.0	21.7
	0930 Apr Exports (YoY%)	64.5	26.4
	0930 Apr Trade balance (HK\$bn)	-26.0	-27.0
South Korea	0200 May Bank of Korea Base Rate	0.5	0.5
<b>Friday 28 May</b>			
Malaysia	0500 Apr Trade Balance (MYR bn)	16.7	24.2
	0500 Apr Exports (YoY%)	44.0	31.0
	0500 Apr Imports (YoY%)	12.0	19.2

Source: ING, Refinitiv, \*GMT

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