

Asia week ahead: Central banks getting busy again... for nothing

Central banks in Japan, Taiwan and Thailand meet next week, but rest assured there won't be much action, if any at all



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Busy doing nothing

Central banks in Japan, Taiwan, Thailand and Indonesia meet next week and all are expected to leave policies on hold.

In **Japan**, last week's announcement of US\$121 billion in fresh stimulus has taken the juice out of the Bank of Japan meeting, which otherwise also was going to be a boring event anyway with no ammunition left to support growth. **Taiwan's** central bank hasn't done any easing in this cycle so

far and, with GDP growth holding up pretty well, we don't expect it to alter the existing policy settings anytime soon.

In **Thailand**, prolonged weak growth prospects ahead warrant some more Bank of Thailand rate cuts on top of two 25bp cuts this year, while inflation continues to be absent. Indeed, the Bank of Thailand has doors open for more cuts, though it's likely to cite an additional US\$3.3 billion worth of fiscal stimulus announced in late November as a reason to stay on hold next week.

The next batch of **China's** November economic data – industrial production, fixed-asset investment, retail sales, and home prices – will be an interesting watch for GDP in the current quarter. A surprising bounce in both manufacturing and non-manufacturing purchasing manager indexes foreshadowed November to be a better activity month after a holiday-distorted October.

Finally, **Australia's** jobs report will give some idea about the depth of the economic weakness in the current quarter, following a disappointing 3Q19 growth merited further Reserve Bank of Australia rate cuts in early 2020. A turnaround in the employment growth in November after an unexpected 19,000 fall in the previous month could upset central bank policy expectations.

Country	Time Data/event	ING	Survey	Prev.
Monday 16 December				
China	0200 Nov Fixed asset investment (YTD, YoY%)	-	5.2	5.2
	0200 Nov Industrial Production (YoY%)	-	5	4.7
	0200 Nov Retail Sales (YoY%)	-	7.6	7.2
India	0630 Nov WPI (YoY%)	1.1	0.82	0.16
Indonesia	0400 Nov Exports (YoY%)	-4.2	-4.02	-6.13
	0400 Nov Imports (YoY%)	-14.3	-13.7	-16.39
	0400 Nov Trade balance (US\$mn)	-212	-75	161.3
Philippines	- Oct OCW remittances (YoY%)	4.2	4.8	6.3
Tuesday 17 December				
Singapore	0030 Nov Non-oil domestic exports (MoM/YoY%)	-/-	5.9/-5	-2.9/-12.3
Wednesday 18 December				
Thailand	0705 Benchmark Interest Rate	1.25	-	1.25
Thursday 19 December				
Indonesia	- Dec 19 BI policy decision (7-day reverse repo, %)	5	-	5
Taiwan	0800 Benchmark Interest Rate	1.375	-	1.375
South Korea	2100 Nov PPI (MoM/YoY%)	-	-	-0.6
Friday 20 December				
Malaysia	0400 Nov CPI (YoY%)	-	-	1.1
	0700 Forex reserves- Month end (US\$bn)	-	-	103.2
Taiwan	0800 Nov Export orders (YoY%)	-	-	-3.48
Thailand	0330 Nov Imports (Cust est, YoY%)	-	-	-7.6
	0330 Nov Exports (Cust est, YoY%)	-	-	-4.54

Source: ING, Bloomberg