

## Asia week ahead: China and Japan data dominate

The activity data from around the region, a lot of it from China and Japan, will be parsed for GDP growth prospects in the fourth quarter. Unfortunately, the downside risk has grown with accelerating Covid-19 infections



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### ➔ China data dump

Released earlier this week, China's Purchasing Manager Indices for November painted a rosy picture of the economy, driven by a broad-based recovery in both the manufacturing and services sectors. We will know next week whether the hard data validates this view.

The key Chinese data on the calendar are trade on Monday, followed by inflation at mid-week and monetary indicators towards the end of the week. The strong recovery in Chinese exports experienced over recent months is at risk of tapering as resurgent Covid-19 infections force some of its main trading partners into lockdown again. But domestic demand continues to recover, supporting expectations of firmer imports and new bank lending growth. All this without stoking any inflation.

## ➔ Japan data dump

The Japanese releases include a revised third quarter GDP estimate. The second GDP estimate typically doesn't differ much from the first (+5.0% QoQ in 3Q) so the markets will likely pay more attention to indicators on growth in the current quarter. There are plenty of these due next week, including October labour earnings, household spending, machinery orders and the current account.

However, the downside growth risk has probably intensified with accelerating Covid-19 caseloads, both locally and globally.

## ➔ And the rest

Taiwan's November trade figures may provide more insight into the electronics cycle. Released earlier this month, the more than 16% year-on-year surge in Korea's semiconductor exports in November bodes well here. Electronics are also a dominant part of the Philippines' exports and October figures will be out next week. Philippine exports have been the weakest in Asia this year with about a -14% YoY fall in the first nine months of the year, a trend which is likely to continue for the rest of the year. Our house forecast for October is -8%.

India and Malaysia's industrial production releases for October come as early indicators of GDP growth of these economies in the final quarter of 2020. We see IP growth swinging back into negative territory in both, following on from renewed export weakness there.

## Asia Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 7 December</b>				
China		- Nov Exports	-	11.4
		- Nov Imports	-	4.7
		- Nov Trade Balance	-	58.44
Taiwan	0800	Nov Imports	-	-1.0
	0800	Nov Exports	-	11.2
	0800	Nov Trade Balance	-	7.46
Indonesia	1100	Nov Forex Reserves	134.5	133.7
Philippines		- Nov Forex Reserves	104.3	103.8
<b>Tuesday 8 December</b>				
Taiwan	0800	Nov CPI (MoM/YoY%)	-/-	- -0.08/-0.24
<b>Wednesday 9 December</b>				
China	0130	Nov CPI (YoY%)	-	0.5
	0130	Nov CPI (MoM%)	-	-0.3
Indonesia		- Oct Retail Sales Index (YoY)	-	-8.7
<b>Thursday 10 December</b>				
China		- Nov M2 Money Supply (YoY)	-	10.5
Philippines	0100	Oct Exports (YoY%)	-8	2.2
	0100	Oct Imports (YoY%)	-17.8	-16.5
	0100	Oct Trade Balance	-2073	-1708
<b>Friday 11 December</b>				
India	1200	Oct Industrial Output (YoY%)	-3.1	0.2
Malaysia	0400	Oct Industrial Output (YoY%)	-0.5	1.0

Source: ING, Refinitiv, \*GMT