

# Asia week ahead: GDP figures, unemployment data and a Bank Indonesia decision

Next week features China's usual data deluge plus GDP, India's trade data and Australia's unemployment rate. Meanwhile, Japan reports CPI inflation and Bank Indonesia decides on policy



## China data deluge plus latest GDP report

The monthly deluge is accompanied by GDP data for December and the fourth quarter of 2023 this month. We believe that the seasonally adjusted quarter-on-quarter growth rate was similar in the fourth quarter to the third last year, at about 1.3%. We think that this will result in a slight uptick in GDP growth to 5.2% year-on-year in the fourth quarter, and also 5.2% for the full-year figure – slightly in excess of the government's 5.0% target. Box ticked.

For the rest of the data, we expect no improvement in any of the real estate-related data, though it will be interesting to see whether any of the recent increases in lending volumes of the MLF have

any impact at all on infrastructure spending. We may see some very small further improvements in manufacturing and industrial production growth.

The key area to look out for remains the retail spending figures, which have been a pocket of relative resilience – although they have been punching a little bit above their longer-run trend growth in recent months and may not be able to sustain this for long.

## Unemployment figures from Australia

While the market seems to have decided that the Reserve Bank of Australia (RBA) has finished hiking and were given an encouraging nod by the recent inflation data, the fact is that monthly inflation increases are not yet low enough for the central bank to hit its inflation target on a 12-month timeframe, and it will need to slow further. For that to look more probable, it would certainly help if indicators such as employment growth slowed.

In November, employment surged, and most of the jobs that were created were full-time. Both the strength of the full-time numbers and the weakness of the part-time figures were at odds with their recent trends. We would not be surprised to see a reversal with about 30,000 part-time jobs, but a dip to only 10,000 full-time jobs for a full employment change of +40,000. Unemployment may push up by about 20,000, and though this will remain slower than trend labour force growth, we may see the unemployment rate push up to 4.0%.

## India's trade report

Trade data for December is not likely to diverge substantially from the November figures, which delivered a trade deficit of USD 20.6bn. With the Reserve Bank of India de-facto pegging the INR, this is unlikely to have a material impact on markets.

## Japan inflation likely to moderate, core machinery orders to rise

Japan's CPI inflation is expected to decelerate to 2.7% YoY in December from 2.9% YoY in November, with falling utility prices and other energy prices weighing on the overall number. Service sector prices, however, will likely rise on the back of high demand in travel related items such as accommodations and eating out.

Meanwhile, core machinery orders should advance in November, supported by solid vehicle demand and recent recovery of semiconductor sector.

## Bank Indonesia to extend their pause

Bank Indonesia (BI) is likely to extend its pause into 2024, with Governor Perry Warjiyo wary over a potential flare up in food inflation. Inflation has been relatively stable, but a looming El Nino episode and an expected acceleration in domestic activity ahead of the national elections in February could stoke price pressures in the near term. Concern over inflation should keep BI on hold, with the central bank also attempting to support the IDR, which is down 0.58% early in 2024.

## Singapore NODX to post modest rise again

Singapore's non-oil domestic exports (NODX) could post another modest expansion in December

after recently snapping a string of negative growth for 13 months. A favorable base and a recent pickup in select electronics shipments likely supported NODX in December 2023. We can expect this trend to extend into early 2024.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
<b>Sunday 14 January</b>					
Japan	2350	Dec M2 Money Supply (YoY%)	-		12407932
<b>Monday 15 January</b>					
India	0630	Dec WPI Inflation (YoY%)	1.2	0.9	0.26
Indonesia	0400	Dec Trade Balance (Bln of \$)	2.5		2.41
	0400	Dec Exports Growth (YoY%)	-9.5		-8.56
	0400	Dec Imports Growth (YoY%)	4.6		3.29
<b>Tuesday 16 January</b>					
Indonesia	0700	Jan 7-Day Reverse Repo	6		6
<b>Wednesday 17 January</b>					
China	0200	Dec Industrial Output (YoY%)	6.7		6.6
	0200	Dec Retail Sales (YoY%)	6		10.1
	0200	Q4 GDP (YoY%)	5.2		4.9
	0200	Q4 GDP (QoQ%, SA)	1.3		1.3
Singapore		Non-oil domestic exports	3.5		1
<b>Thursday 18 January</b>					
Japan	2330	Dec CPI (YoY%) NSA	2.7		2.8
	2330	Dec CPI NSA	-		
Australia	0030	Dec Unemployment Rate	4		3.9
	0030	Dec Reserve Assets Total	-		91918

Source: Refinitiv, ING

## Authors

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

### Min Joo Kang

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person

for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.