

Article | 6 April 2023

## Asia week ahead: China's growth momentum to pick up despite sluggish exports

Next week's data calendar features China's loan data, inflation and trade from China and Taiwan, Singapore GDP, and the Bank of Korea's policy rate decision



### China's loan growth will continue while exports is expected to contract

China will announce loan data next week, which should be market-moving. We expect the new yuan loan could increase to CNY4000 billion in March compared to CNY1810 billion in February. This is hinted at by the PBoC RRR cut and a significant amount of liquidity injection in the last two weeks of March. Loan growth in the second quarter should be a lot smaller unless the economy needs extra support.

Inflation in China and Taiwan should be mild. This should be a backdrop for starting to pause policy

rate hikes for Taiwan. But the worry of a bigger interest rate differential with the US should continue to be the key factor for the central bank to consider one more hike in the second quarter.

China and Taiwan will release international trade data. Both should show continuous yearly contraction in exports, especially in electronic exports. China's imports should keep their strength from the recovery of domestic demand.

## Singapore growth to moderate in 1Q23

Singapore GDP will likely moderate to expand 2.4% YoY, up from the 2.1% posted in the last quarter but much slower than the 4.0% gain recorded in 1Q22. The economy is facing several challenges, namely high domestic inflation and slowing global demand. Both exports and industrial output reported contractions for the quarter, while retail sales were soft.

## Bank of Korea watch : Wait and see approach

The Bank of Korea will meet next Tuesday and no action is expected as inflation is slowing while underlying growth conditions remained weak. The uncertainty surrounding the recent oil price pick-up will strengthen hawkish comments though.

## Key events in Asia next week

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 10 April</b>				
China	-	Mar M2 Money Supply (YoY)	13,2	12,9
		Mar New Yuan Loan (CNY bn)	4000	1810
India	-	Mar Fiscal Deficit (USD bn)	-	-
	-	Mar Imports/Exports (USD bn)	-	-
Indonesia	0500	Feb Retail Sales Index (YoY)	-	-0,6
Taiwan	0920	Mar Foreign Exchange Reserve (USD bn)	556	558,4
<b>Tuesday 11 April</b>				
China	0230	Mar CPI /PPI (YoY%)	1.5/-2.2	1.0/-1.4
Indonesia	0400	Mar Consumer Confidence Index	-	122,4
Philippines	0200	Feb Imports/Exports (YoY%)	5.0/10	3.9/-13.5
	0200	Feb Trade Balance	-5200	-5738
Taiwan	0900	Mar CPI (YoY% NSA)	1,9	2,43
	0900	Mar Imports/Exports	-10.6/-10.2	-9.4/-17.1
	0900	Mar Trade Balance	4,4	2,35
South Korea	0200	Apr Bank of Korea Base Rate	3,5	3,5
	0000	Mar Unemployment Rate	2,9	2,6
<b>Wednesday 12 April</b>				
Japan	0050	Feb Core Machine Orders (MoM%)	1.0	9.5
India	1300	Mar CPI Inflation (YoY%)	-	6,44
	1300	Feb Industrial Output (YoY%)	-	5,2
<b>Thursday 13 April</b>				
Japan	0050	Mar M2 Money Supply (YoY%)	-	12185598
Australia	0230	Mar Unemployment Rate	-	3,5
China	0200	1Y Medium Lending Facility rate	2,75	2,75
China	0400	Mar Imports/Exports	7.2/-7.6	-10.2/-6.8
	0400	Mar Trade Balance (USD bn)	105	116,88
<b>Friday 14 April</b>				
India	0730	Mar WPI Inflation (YoY%)	-	3,85
Singapore	0100	Q1 GDP Flash (QoQ%/YoY%)	-/2.4	0.3/2.1
<b>Saturday 15 April</b>				
China		New home price (MoM%)	0,5	0,3

Source: Refinitiv, ING

## Author

### 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>.