

## Asia week ahead: Fine-tuning 1Q GDP estimates

Trade and manufacturing data crowds next week's Asian economic calendar. But, Korea's 1Q20 GDP may attract more attention with regards to the Covid-19 impact



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### ➔ Asia: Trade and manufacturing releases

The fact that some Asia countries have been reporting firmer exports than we expected in March suggests the rapid spread of Covid-19 hasn't completely broken the back of economic activity in its entirety.

We anticipate the same from the trade and manufacturing releases from the region next week.

The lockdowns to combat the pandemic were just beginning in the second half of March and were loosely implemented in most countries in the region. This kept some activity going, while a raft of stimulus announcements ensured that businesses continue operations during this period.

These releases will also help us to refine our estimates of first-quarter GDP growth for these countries. However, this is just the beginning of what's likely to be a deep and prolonged economic slump, not just in Asia but around the world.

## ➔ Korea: Keeping afloat

Korea's resilient export performance in the first quarter is a surprise but this is probably because the pandemic was yet to grip the US - its leading trading partner and demand from China was also beginning to recover. The 1.1% year-on-year fall in Korean exports in 1Q was a marked improvement over the 12% YoY fall in 4Q19, although some of that firmness was due to the low base effect.

As Korea reports 1Q20 GDP data next week, we believe GDP growth will remain in the positive territory, albeit slow down to 1.2% YoY from 2.2% in the previous quarter. As noted above, the worst is ahead as significant destruction of global demand takes a toll on Korean exports and potentially pushes GDP growth into the negative territory.

However, the return of the incumbent government of President Moon in the Assembly elections held this week should pave way for increased fiscal policy support to prevent further GDP slide.

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 20 April</b>				
Taiwan	0900 Mar Export orders (YoY%)	-6.0	-	-0.77
<b>Tuesday 21 April</b>				
South Korea	2200 Mar PPI (YoY%)	-	-	0.7
<b>Wednesday 22 April</b>				
Malaysia	0500 Mar CPI (YoY%)	0.6	-	1.3
	0800 Apr 15 Forex reserves- Month end (US\$bn)	-	-	101.7
Thailand	0430 Mar Exports (Cust est, YoY%)	-6.0	-	-4.47
	0430 Mar Imports (Cust est, YoY%)	-10.0	-	-4.3
<b>Thursday 23 April</b>				
Singapore	0600 Mar CPI (YoY%)	-0.5	-	0.3
	0600 Mar CPI core (YoY%)	-0.6	-	-0.1
Hong Kong	0930 Mar CPI (YoY%)	2.0	-	2.2
Taiwan	0900 Mar Industrial production (YoY%)	17	-	20.34
South Korea	0000 1Q P GDP (YoY%)	1.2	-	2.3
	0000 1Q P GDP (QoQ%)	-	-	1.3
<b>Friday 24 April</b>				
Philippines	- Mar Budget balance (PHP bn)	-	-	-37.595
Singapore	0330 1Q Jobless rate (Q) (%), SA	2.7	-	2.3
	0600 Mar Industrial production (MoM%/YoY%)	-2.8/-7.8	-/-	-22.3/-1.1
Taiwan	0920 Mar Money supply (M2) (YoY%)	4.4	-	4.35

Source: Bloomberg, ING