

Asia week ahead: Export recovery in full swing

The strong momentum for Asian exports continues and hopefully will be reflected in trade releases from China and Taiwan next week. It's not just favourable base effects at work here, the post-Covid-19 recovery of global demand is also supporting Asian exports, and electronics and automobiles are leading the way



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Trade data dominates

China and Taiwan are due to report trade figures for February, while the Philippines does the same for January.

In general, regional exports have been enjoying a strong run since the fourth quarter of 2020. The January figures revealed strong momentum continued in 2021. The sharp plunge in trading activity with the onset of the Covid-19 pandemic in early 2020 explains some of the outsized year-on-year growth and our house forecasts of close to 40% YoY jump in China's exports and a 26% surge in Taiwan's in the first two months of this year underscores this.

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Asian exports*

However, it's not just a favourable base year effect that's at work here. The post-Covid recovery of global demand is also supporting Asian exports. By product type, electronics and automobile are leading the strong growth trend, more so amid the ongoing shortage of semiconductor chips for the automobile sector, which is pressuring these exports higher. Asia's electronics heavyweights - China, Taiwan, Korea, Singapore and Malaysia are the clear beneficiaries.

Meanwhile, manufacturing should follow exports growth upward, though industrial production data from Malaysia nor India is expected to do that. Tighter Covid-19 moment restrictions in Malaysia is the reason while in India, close to flat year-on-year infrastructure industry output in January pointed to the same for total IP growth.

India's inflation for February will be rather interesting next week, as it has come down in recent months to the central bank's policy target of 2-6%, but reports of rising food and fuel prices hint at higher inflation. India's central bank is the first Asian central bank to tighten via a 50 basis points CRR hike in February.

Asia Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|---------------------------|------|---|-------|--------|--------|
| Sunday 7 March | | | | | |
| China | | - Feb Exports | 39.0 | | 18.1 |
| | | - Feb Imports | 16.0 | | 6.5 |
| | | - Feb Trade Balance | 52.1 | | 78.17 |
| | | - Feb FX Reserves (USD bn) | 3211 | | 3210.6 |
| Monday 8 March | | | | | |
| Indonesia | | - Feb Forex Reserves | - | | 138 |
| Singapore | 0900 | Feb Foreign Reserves USD | - | | 370.1 |
| South Korea | 2300 | Jan Current Account Bal NSA | - | | 11.51 |
| Tuesday 9 March | | | | | |
| China | | - Feb Aggregate finance (Yuan bn) | 900 | | 5174 |
| | | - Feb Financial institution loans (Yuan bn) | 750 | | 3580 |
| | | - Feb Money supply (M2) (%YoY) | 9.4 | | 9.4 |
| Taiwan | 0800 | Feb Exports (YoY%) | 15.3 | | 36.8 |
| Taiwan | 0800 | Feb Imports (YoY%) | 18.1 | | 29.9 |
| Taiwan | 0800 | Feb Trade Balance (USD bn) | 3.2 | | 6.2 |
| Taiwan | 0800 | Feb CPI (YoY%) | 1.1 | | -0.2 |
| | | Feb WPI (YoY%) | -2.0 | | -2.9 |
| Wednesday 10 March | | | | | |
| China | 0130 | Feb CPI (YoY%) | 0.0 | | -0.3 |
| | | - Feb PPI (YoY%) | 0.3 | | 0.3 |
| Thailand | 0300 | Feb Consumer Confidence Idx | - | | 47.8 |
| Malaysia | 0400 | Jan Industrial Output (YoY%) | - | | 1.7 |
| Friday 12 March | | | | | |
| Philippines | 0100 | Jan Exports (YoY%) | -3.7 | | -0.2 |
| | 0100 | Jan Imports (YoY%) | -12.6 | | -9.1 |
| | 0100 | Jan Trade Balance | -2543 | | -2180 |
| India | 1200 | Feb CPI Inflation (YoY%) | 5.4 | | 4.06 |
| | 1200 | Jan Industrial Output (YoY%) | 0.0 | | 1.0 |
| Malaysia | 0400 | Jan Industrial Output (YoY%) | -9.5 | | 1.7 |

Source: ING, Refinitiv, *GMT