

## Asia week ahead: Packed with data

Three central bank policy meetings are unlikely to offer up any surprises next week. This leaves the markets to ponder the economic data of which a lot is on the calendar



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### ➔ Central bank meetings

Central banks in China, Korea and New Zealand are set to review their monetary policy. All are expected to leave interest rates on hold.

The People's Bank of China hasn't touched the 1-year and 5-year Base Lending Rates since April last year. There is no reason for it to disturb policy now given that the recovery is coming along nicely. The renewed threat to the economy from the pandemic may instil some interest in the other two central bank meetings; the Bank of Korea and the Reserve Bank of New Zealand.

An alarming spike in Korea's jobless rate from 4.5% in December to 5.4% in January, the highest since the Asian crisis in 1999, adds weight to the argument for the Bank of Korea to ease. The last move in the BoK policy rate was a 25bp cut in May 2020, putting it at an all-time low of 0.5%. With very little leeway to take rates lower, it will continue to place the onus on the government to boost growth. As for the RBNZ, we think it will look through the latest brief lockdown in Auckland, while above-expected 4Q20 CPI inflation of 1.4% in 4Q20 supports stable policy for now.

## ➔ Heavy data pipeline

January inflation, trade and manufacturing releases dominate the data calendar.

CPI inflation in Hong Kong, Malaysia and Singapore likely remained in negative territory. Of note here would be data from Malaysia where tighter Covid-19 movement restrictions possibly intensified the downward price trend, supporting our call of a 25bp Bank Negara Malaysia policy rate cut in March.

Regional exports are off to a strong start in 2021 with double-digit growth in the majority of countries that have reported January figures so far. The releases from Hong Kong, Malaysia and Thailand next week should show similar results. And Taiwan's export orders should inform where this trend is heading. Following on the heels of surging exports, manufacturing output continues to firm up this year. So does GDP growth.

India will be in the spotlight as it reports 4Q20 GDP. There has been no end to the negative growth trend just yet, though we estimate a moderate contraction of -4.7% year-on-year compared to -7.5% in 3Q20. This stems from firmer manufacturing growth complementing the seasonal agriculture strength in 4Q, though domestic demand remained under pressure from the virus.

## Asia Economic Calendar

Country	Time Data/event	ING Survey	Prev.
<b>Saturday 20 February</b>			
Taiwan	0800 Q4 GDP Final (YoY%)	4.95	4.94
<b>Monday 22 February</b>			
China	0130 Feb Loan Prime Rate 1Y	3.85	3.85
	0130 Feb Loan Prime Rate 5Y	4.65	4.65
Hong Kong	0900 Jan CPI (YoY%)	-0.1	-0.7
Thailand	0300 Jan Exports (Cust est, %YoY)	3.8	4.9
	0300 Jan Imports (Cust est, %YoY)	-10.8	3.0
	0300 Jan Trade balance (Cust est, US\$m)	1647	964
South Korea	2100 Feb BoK Consumer Sentiment Index	-	95.4
<b>Tuesday 23 February</b>			
China	0130 Jan New home prices (% MoM)	0.1	0.1
Singapore	0500 Jan CPI (YoY%)	-0.1	0
	0500 Jan Core CPI (YoY%)	-0.2	-0.3
South Korea	2100 Mar BOK Manufacturing BSI	-	84.0
<b>Wednesday 24 February</b>			
Hong Kong	- FY2021-22 Budget		
	0800 Q4 GDP Final (YoY%)	-3.00	-3.00
Thailand	- Jan Manufacturing Prod (YoY%)	-6.2	-2.44
Malaysia	0400 Jan CPI (YoY%)	-1.6	-1.4
Taiwan	0800 Jan Export orders (%YoY)	41.6	38.3
<b>Thursday 25 February</b>			
Hong Kong	0900 Jan Imports	40.0	14.1
	0900 Jan Exports	46.0	11.7
Thailand	0700 Jan Current account balance (US\$bn)	-300	-693
Taiwan	0800 Jan Industrial Output (YoY%)	12.0	9.9
	0800 Jan Unemployment Rate (%)	3.7	3.76
South Korea	0100 Feb Bank of Korea Base Rate	0.5	0.5
<b>Friday 26 February</b>			
India	1200 Q4 2020 GDP Quarterly (YoY%)	-4.7	-7.5
Malaysia	0400 Jan Trade Balance (MYR bn)	24.1	20.7
	0400 Jan Exports	16.0	10.8
	0400 Jan Imports	2.0	1.6
Indonesia	0400 Jan M2 Money Supply (YoY%)	-	12.4
Philippines	- Dec Budget Balance	-	-128.3
Singapore	0500 Jan Manufacturing Output (MoM/YoY%)	6.1/6.4	2.4/14.3
Taiwan	0820 Jan Money Supply - M2 (YoY%)	8.5	8.45
Thailand	0730 Jan Exports (YoY%)	-	4.6
	0730 Jan Imports (YoY%)	-	-0.1
	0730 Jan Current Account	-	-0.7

Source: ING, Refinitiv, \*GMT