

Asia week ahead: Japanese inflation and South Korean sentiment data

Japan releases February inflation data, while South Korea reports on March sentiment. Other key releases include Taiwan's industrial production data



Asia Research highlights of the week

[Asia FX Talking: Relatively broad-based pressure](#)

[China beats dreary expectations, but more work needed to support growth](#)

[Bank of Japan holds rates and offers no signal about its next move](#)

Japan: CPI expected to cool further

Consumer price inflation is expected to slow further in February, primarily due to the government's energy subsidy. It's likely to show that the deceleration in inflation we saw before the Middle East crisis persisted. Yet core-core inflation is expected to stay well above 2.0%. Higher energy prices are likely to push up inflation again in the coming months, prompting the Bank of Japan to keep the door open to rate hikes. At the same time, the flash purchasing managers' index is expected to

drop sharply, with manufacturing falling more than services amid concerns about events in the Middle East. Overall, the timing of the next hike remains uncertain. In our view, an April move is unlikely, as the BoJ needs more time to assess the effects of rising energy prices on the economy.

South Korea: Sentiment data becoming less optimistic

Survey results on South Korean sentiment are likely to be less optimistic, as heightened geopolitical tensions reduce both confidence and economic activity. Higher gasoline prices and financial market instability are expected to significantly dent consumer sentiment. This will likely be reflected in the business survey as well.

China: A calm week ahead

It's a quiet week ahead for China, with most of the key economic data already out for the month. We'll get industrial profits data for the first two months of the year on Friday. Markets will watch for any improvement from the sluggish 0.6% year-on-year growth rate in 2025.

Taiwan: Moderating industrial production following Lunar New Year

Taiwan releases its February industrial production data on Tuesday. We expect activity to moderate toward 13.3% YoY thanks to the Lunar New Year effect. But production should be quite robust to start the year amid strong external demand.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 23 March				
Japan	0730	Feb CPI (MoM%/YoY%)	-0.4/1.5	-0.1/1.5
	0730	Feb Core CPI (MoM%/YoY%)	-0.4/1.7	-0.2/2.0
	0830	S&P Global Manufacturing PMI Flash	49	53
	0830	S&P Global Services PMI Flash	52	53,8
	0830	S&P Global Composite PMI Flash	51	53,9
Singapore	1300	Feb Core CPI (YoY%)	-	1
	1300	Feb CPI (MoM%/YoY%)	-	-0.5/1.4
Tuesday 24 March				
South Korea	0500	Feb PPI (MoM%/YoY%)	-	0.6/1.9
Australia	0600	Mar S&P Manufacturing PMI Flash	-	51
	0600	Mar S&P Services PMI Flash	-	52,8
	0600	Mar S&P Composite PMI Flash	-	52,4
Taiwan	1600	Feb Industrial Output (YoY%)	13,3	28,5
Wednesday 25 March				
Japan	1300	Jan Leading Indicator Revised	-	2,1
South Korea	0500	Mar Consumer Sentiment Index	105	112,1
Australia	0830	Feb Inflation (MoM%/YoY%)	-/-	0.4/3.8
Thursday 26 March				
Singapore	1300	Feb Manufacturing Output (MoM%/YoY%)	-/-	5.3/16.6
Taiwan	1600	Feb Unemployment Rate	-	3,4
Friday 27 March				
Indonesia	1200	Feb M2 Money Supply (YoY%)	-	10
South Korea	0500	Mar Composite Business Survey Manufacturing	94	97,1
	0500	Mar Composite Business Survey Non-Manufacturing	89	92,2
Philippines	0900	Feb Imports (YoY%)	-	-3,1
	0900	Feb Exports (YoY%)	-	7,9
	0900	Feb Trade Balance (USD bn)	-	-4
Taiwan	-	Mar Consumer Confidence	-	66,6

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