

Asia week ahead: Look for more evidence of firmer activity

The usual end- and start-of-the-month activity releases pack the Asian economic calendar in a holiday-shortened week



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➔ Soft data – Purchasing Manager Indices

The typical focus around this time of the month is the manufacturing and service sector PMIs. Released earlier this week, the advance PMIs for March from developed economies (the US, eurozone and Japan) revealed firmer activity in both manufacturing and non-manufacturing areas. We hope to see the same in Asian PMIs next week.

China's PMIs are the usual standouts and are expected to follow their developed market

counterparts higher. If you want a sense of how these could go -- industrial profits data for February due over the weekend (27 March) should be a good guide. As for most other February indicators, the low base effect likely swelled profit growth.

Among other soft indicators coming our way, are Japan's quarterly Tankan Survey for 1Q21 and Korea's Business Survey Indices for April, both expected to show some pick-up over the previous periods.

➔ Hard data - Exports and manufacturing

Markets will also be swamped with hard activity releases on trade and manufacturing, which come as guides to the post-Covid recovery.

Korea's exports for March, the first export data for this month from the region, will be an interesting insight into the semiconductor cycle as the global chip shortage continues to make financial headlines. A 14% year-on-year rise in Korean chip exports in the first 20 days of the month was good news that the full-month data should testify to. Meanwhile, Korean industrial production for February is likely to show some retracement of growth, though that's clearly a distortion from the Lunar New Year holiday rather than underlying weakness.

Japan and Thailand are other countries reporting industrial production and Malaysia is going to release its trade data -- all for February. We see nothing particularly exciting in these.

Lastly, Korea and Indonesia's consumer price data may be something worth watching as inflation worries are mounting elsewhere. We don't think a sharp rise in inflation will be a cause for concern at the Bank of Korea just yet, while Bank Indonesia remains relaxed on this front.

Key events in Asia

Country	Time	Data/event	ING	Survey	Prev.
Saturday 27 March					
China	0130	Feb Industrial Profit (YoY% YTD)	175		20.1
Monday 29 March					
Malaysia	0400	Feb Trade Balance (MYR bn)	15.5		16.6
	0400	Feb Exports (YoY%)	7.1		6.6
	0400	Feb Imports (YoY%)	3.9		1.3
Tuesday 30 March					
Hong Kong	0830	Feb Retail Sales (YoY%)	-		-13.6
	0830	Feb Retail Sale Vol (YoY%)	-		-14.5
South Korea	2100	Apr BOK Manufacturing BSI	86		85
	2100	Apr BOK Non-manufacturing BSI	75		73
	2300	Feb Industrial Output (MoM/YoY%)	-2.2/-2.7		-1.6/7.5
Wednesday 31 March					
China	0100	Mar NBS Non-Mfg PMI	51.6		51.4
	0100	Mar NBS Manufacturing PMI	50.8		50.6
	0100	Mar Composite PMI	-		51.6
Hong Kong	0830	Feb Money Supply M3	-		23.2
India	-	4Q20 Current account balance (US\$bn)	-3.1		15.5
Malaysia	0700	Feb Money Supply (YoY%)	-		4.3
Indonesia	0400	Feb M2 Money Supply (YoY%)	-		11.8
Thailand	0330	Feb Manufacturing index (%YoY)	-1.8		-2.8
	0730	Feb Current Account (US\$m)	-1070		-673
Thursday 1 April					
China	0145	Mar Caixin Mfg PMI Final	51.2		50.9
Malaysia	0030	Mar IHS Markit Mfg PMI	-		47.7
Indonesia	0030	Mar IHS Markit PMI	-		50.9
	-	Mar Inflation (YoY%)	1.4		1.38
	-	Mar Inflation (MoM%/YoY%)	-/-		0.1/1.53
Taiwan	0030	Mar IHS Markit Mfg PMI	60.6		60.4
Thailand	0030	Mar Manufacturing PMI SA	-		47.2
South Korea	0000	Mar Export Growth Prelim	-		
	0000	Mar Import Growth Prelim	-		
	0000	Mar Trade Balance Prelim	-		
	0030	Mar IHS Markit Mfg PMI	55.5		55.3
	2300	Mar CPI inflation (YoY%)	1.7		1.1
	2300	Mar Core CPI inflation (YoY%)	1.1		0.8

Source: Refinitiv, ING