

Asia week ahead: 3Q GDP numbers due from northeast Asian countries

Hong Kong, Korea, and Taiwan report 3Q GDP numbers next week, and we expect export strength to have outweighed domestic demand weakness, but that won't be enough to pull year-on-year growth back into positive territory just yet



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➔ Hong Kong, Korea, and Taiwan report 3Q GDP

Hong Kong, Korea, and Taiwan are the next in line to report their GDP figures for 3Q20 over the next week.

The Covid-19 lockdowns sharply dented GDP in the second quarter but as economies re-opened, they clawed back some lost ground last quarter. However, the risk to this stems from the second wave further suppressing domestic demand. All three northeast Asian countries releasing GDP data suffered from the second wave over the last quarter.

On the flip side, accelerated export recovery should bode well for the GDP numbers. We expect export strength to outweigh domestic demand weakness producing a strong GDP bounce over 2Q. However, that won't be enough to pull the year-on-year growth back into positive territory just yet.

➔ What else?

China's industrial profits growth is on a steady upward trend in September, signalling steady investment and GDP growth in the period ahead. Likewise, forward-looking indicators in Korea including consumer and business confidence data should guide us on the recovery in the final quarter of the year.

Lots of Japanese activity releases will come as fresh inputs for the Bank of Japan policymakers deciding the policy next week (29 October), though none of these are likely to change the current policy stance.

Moving to the south, manufacturing releases from Singapore and Thailand for September and trade figures from Malaysia will help us fine-tune 3Q GDP estimates for these countries.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 25 October					
Thailand	-	Sep Manufacturing index (YoY%)	-8.0	-5.5	-9.3
Monday 26 October					
Singapore	0500	Sep Industrial production (MoM/YoY%)	-/-	-/-	13.9/13.7
South Korea	2300	3Q P GDP (QoQ/YoY%)	1.3/-1.9	-	-3.2/-2.7
Tuesday 27 October					
China	0130	Sep Industrial profits (YTD, YoY%)	22.0	-	19.1
Hong Kong	0830	Sep Exports (YoY%)	-19.5	-	-2.3
	0830	Sep Imports (YoY%)	-4.0	-	-5.7
	0830	Sep Trade balance (HK\$ bn)	-9.7	-	-14.6
South Korea	2100	Oct BOK Consumer Sentiment Index	-	-	79.4
Wednesday 28 October					
Malaysia	0400	Sep Exports (YoY%)	7.0	-	-2.9
	0400	Sep Imports (YoY%)	-5.0	-	-6.5
	0400	Sep Trade balance (RM bn)	17.8	-	13.2
South Korea	2100	Nov BOK Business Survey Index, mfg	-	-	68.0
	2100	Nov BOK Business Survey Index, non-mfg	-	-	62.0
Thursday 29 October					
India	-	Sep Fiscal deficit (INR crore)	-	-	48998
Singapore	-	3Q Jobless rate (Q) (% , SA)	-	-	2.9
South Korea	2300	Sep Industrial production (MoM/YoY%)	-/-	-/-	-0.7/-3.0
Friday 30 October					
Hong Kong	0830	3Q A GDP (YoY%)	-10.0	-	-9.0
Taiwan	0800	3Q P GDP (YoY%)	-1.00	-	-0.58
Thailand	-	Sep Current acc balance (US\$bn)	1.1	-	3.0

Source: ING, Bloomberg, *GMT

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