

Asia week ahead: PMI reports kick off a busy week for Asia

Manufacturing, inflation, trade and inflation reports pepper next week's calendar



PMI reports could show impact of global supply chain gridlock

China kicks off a busy week with PMI reports over the weekend, followed by most of Asia. PMI readings could give an indication as to whether the global supply chain bottlenecks are beginning to feed into overall manufacturing activity. Our Greater China economist, Iris Pang, writes “China's official manufacturing PMI is expected to remain in contraction due to a lack of diesel for trucks which has disturbed delivery and construction activity”. Meanwhile, “the CAIXIN manufacturing PMI may see an improvement from small exporters' manufacturing activity for the western holidays”. Other economies in Asia could see improved activity after relaxing mobility restrictions. China, Japan, Indonesia, Taiwan, Korea, Singapore and the Philippines all release PMI readings next week.

Trade activity affected by bottlenecks?

One area that is expected to take a hit from the global supply chain bottlenecks is trade. Tightness

in supply and logistical gridlock may hamper overall trade, however higher commodity prices and the general reopening of economies has also translated into an increase in overall activity compared to 2020. In the coming days, Korea, India, Australia and the Philippines will release data on trade.

Inflation, the hot button issue

Concerns about the acceleration in price gains is definitely one of the main factors affecting sentiment in Asia. On top of the acceleration in prices, market participants are increasingly aware that the current spike in inflation could become more pervasive and persistent. Inflation pressures have prodded central banks around the world to take action recently (Singapore, New Zealand and Korea in the region). The Philippine inflation report will likely be closely watched as inflation remains stubbornly above target, although the central bank has continuously pushed back on the idea of raising rates “prematurely”. Korea, Singapore and Taiwan will also release CPI inflation figures in the coming days.

Growth and central bank activity

Next week’s economic calendar also features data releases on growth and a central bank policy meeting. The Reserve Bank of Australia (RBA) meets next week to discuss policy although our Asia Pacific Regional Head of Research, Rob Carnell, believes the RBA will remain in supportive mode as the economy recovers. Taiwan and Indonesia report 3Q GDP results, with Indonesia forecast to post a 3.5% year-on-year expansion, a slowdown from the previous quarter, after surging Covid-19 cases prompted authorities to heighten mobility curbs during the quarter.

Asia Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Sunday 31 October				
China	0200	Oct NBS Manufacturing PMI	49.5	49.6
	0200	Oct NBS Non-Manufacturing PMI	53.5	53.2
Monday 1 November				
Japan	0130	Oct Jibun Bank Manufacturing PMI	-	53.0
	0050	Oct Monetary Base (YoY%)	-	11.5
China	0245	Oct Caixin Manufacturing PMI Final	50.2	50.0
India	0600	Oct IHS Markit Manufacturing PMI	-	53.7
		- Oct Fiscal Deficit - USD Prelim	-	22.6
		- Oct Imports - USD Prelim	-	56.4
		- Oct Exports - USD Prelim	-	33.8
Indonesia	0130	Oct IHS Markit PMI	54	52.2
	0500	Oct Inflation (MoM%/YoY%)	0.1/1.6	-0.04/1.3
Taiwan	0130	Oct IHS Markit Manufacturing PMI	54.9	54.7
	0900	Q3 GDP Final (YoY%)	3.5	7.4
South Korea	0100	Oct Export Growth Prelim	-	16.7
	0100	Oct Import Growth Prelim	-	31.0
	0100	Oct Trade Balance Prelim	-	4.21
	0130	Oct IHS Markit Manufacturing PMI	-	52.4
	0000	Oct CPI Growth (MoM%/YoY%)	-/-	0.5/2.5
Tuesday 2 November				
Australia	0430	Nov RBA Cash Rate	-	0.1
Philippines	0130	Oct Manufacturing PMI	52.1	50.9
Singapore	1400	Oct Manufacturing PMI	51.2	50.8
Wednesday 3 November				
China	0245	Oct Caixin Services PMI	55	53.4
India	0600	Oct IHS Markit Services PMI	-	55.2
Thursday 4 November				
Japan	0130	Oct Services PMI	-	47.8
	0030	Sep All Household Spending (MoM%/YoY%)	-	-3.9/-3.0
Australia	0130	Sep Trade Balance (A\$bn)	-	15077
Friday 5 November				
Indonesia	0500	Q3 GDP (QoQ%/YoY%)	-/3.5	3.31/7.07
Philippines	0200	Oct CPI (YoY%)	5.0	4.8
	0200	Oct Core CPI (YoY%)	3.5	3.3
	0200	Sep Imports (YoY%)	28.5	30.8
	0200	Sep Trade Balance	-3812	-3577
Singapore	0600	Sep Retail Sales (MoM%/YoY%)	-/-	-0.6/-2.8
Taiwan	0900	Oct CPI (YoY%)	2.3	2.63
	0900	Oct WPI (YoY%)	12	11.96
	0920	Oct Foreign Exchange Reserve (\$bn)	546	544.899

Source: Refinitiv, ING, *GMT