

Asia week ahead: Policy clues in the data

Public holidays will keep the Asian calendar relatively quiet for the week ahead, with markets closed in India, Indonesia, Japan and Malaysia. There are no central bank meetings but we're watching specific data to see how it could influence policy decisions in the region



➔ Japan - back in the red

Japan will likely report a trade deficit next week but we don't think this will have any strong implications for the currency. The country essentially operates a balance on trade these days and drifts in and out of deficit with little impact on the yen.

Japanese CPI will rise a little further – in line with the earlier Tokyo release, but core inflation will remain anchored a little above zero. Nothing to excite the Bank of Japan here.

➔ Singapore's core inflation - reassurance for the central bank

Singapore's 3Q GDP might well be revised slightly lower than the initial 2.6% year-on-year figure,

based on weaker industrial production data for September. On the expenditure side, retail sales point to slower consumer spending growth, though this may be offset by strength in investment.

Singapore also releases October inflation figures which shouldn't unduly change the prevailing picture, namely a weak headline rate. But stripping out private accommodation and transport, we could see a much higher core figure, allowing the Monetary Authority of Singapore to feel vindicated in their decision to tighten last month. So long as the core rate remains below 2.0%, a subsequent April tightening will hang in the balance.

➔ Bank of Thailand - hawkish tone could be subdued

Thai GDP for 3Q18 will likely deliver a weak 3.7% YoY growth rate, following soft manufacturing data released late last month. Weak service sector indicators may also reflect declining tourism inflows from China. Despite this, the Bank of Thailand has been sounding increasingly hawkish. So it's possible that the run of next week's data will curb their enthusiasm for hikes a little.

➔ South east Asia picks - Taiwanese export numbers up from 2Q18

Other south-east Asian releases include the Philippine's October balance of payments data. This should improve as we move into year-end on lower oil prices and rising remittances.

The pick of the Taiwanese data next week is probably 3Q18 export orders. Weakness in electronics demand across the region and especially from key economies like Korea, and a generally downbeat mood in the tech sector may be outweighed this quarter by attempts to front-run incoming and rising tariff rates, so the 7.0% forecast would be an improvement from 2Q18.

Asia Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|------------------------------------------|---------|--------|---------|
| Monday 19 November | | | | | |
| Thailand | 0230 | 3Q GDP (QoQ, SA/YoY%) | 0.2/3.7 | -/- | 1.0/4.6 |
| South Korea | 2100 | Oct PPI (MoM/YoY%) | -/2.5 | -/- | 0.3/2.7 |
| Philippines | 0845 | Oct Balance of Payments (US\$m) | - | - | -2696.0 |
| Tuesday 20 November | | | | | |
| Taiwan | 0800 | Oct Export orders (YoY%) | 7.0 | - | 4.2 |
| | 0820 | 3Q Current Account Balance (US\$bn) | 20.5 | - | 17.8 |
| Hong Kong | 0815 | Oct Composite CPI (YoY%) | 2.8 | - | 2.7 |
| Wednesday 21 November | | | | | |
| Thailand | 0330 | Oct Exports (Cust est, YoY%) | 3.0 | - | -5.2 |
| | 0330 | Oct Imports (Cust est, YoY%) | 5.0 | - | 9.9 |
| | 0330 | Oct Trade Balance (Cust est, US\$m) | -186.0 | - | 487.0 |
| Thursday 22 November | | | | | |
| Malaysia | 0700 | Nov 15 Forex Eeserves-Month End (US\$bn) | - | - | 101.7 |
| Taiwan | 0800 | Unemployment Rate | 3.7 | - | 3.7 |
| Friday 23 November | | | | | |
| Malaysia | 0400 | Oct CPI (YoY%) | 0.5 | - | 0.3 |
| Singapore | 0000 | 3Q Revised GDP (QoQ/YoY%) | 3.9/2.4 | -/- | 4.7/2.6 |
| | 0500 | Oct CPI (YoY%) | 0.8 | - | 0.7 |
| | 0500 | Oct CPI Core (YoY%) | 1.8 | - | 1.8 |
| Taiwan | 0800 | Oct Industrial Production (YoY%) | 4.0 | - | 1.5 |
| | 0820 | Oct Money Supply (M2) (YoY%) | 3.4 | - | 3.3 |
| | 0820 | 3Q GDP F (YoY%) | 2.3 | - | 2.3 |

Source: ING, Bloomberg

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