

## Asia week ahead: Regional central bank meetings and trade data

Next week's calendar features policy meetings from several regional central banks, trade numbers from India, Korea and Taiwan, activity data from Japan and Taiwan plus inflation readings from Japan and Singapore



### Expected slowdown in India's current account deficit

India's current account deficit has widened substantially and although the trade deficit slowed its increase in the last three months of the year, the consensus forecast for a narrowing of the broader current account deficit looks optimistic.

### Upcoming RBA minutes of March policy meeting

The minutes from the Reserve Bank of Australia's March meeting next Tuesday could be an interesting read and may shed more light on what appeared to be a hint that peak rates were nearing.

## Upcoming CPI and PMI data from Japan

Consumer inflation in Japan is expected to cool to 3.5% year-on-year in February (vs 4.3% in January) due to the government's energy subsidy programme, helped along by the base effects of a slowdown. For the fresh PMI reports, we believe the trend of weak manufacturing alongside a strong services sector will continue.

## Trade data from Korea

Early April trade data will be out from Korea and we expect sluggish exports to continue. The trade deficit however is expected to narrow in April as imports of commodities could decline more sharply.

## China to announce target interest rate

Banks in China will announce their loan prime rate and we expect no change at 3.65% and 4.3% for 1-year and 5-year, respectively. The ongoing economic recovery means that banks do not have to ease further.

## Busy week for Taiwan

Taiwan's central bank will decide on policy in the coming days. We believe the recent Silicon Valley Bank collapse will be another factor in the central bank's rate decision. The best way forward for the central bank should be to stay put at 1.75% as hiking further may create concerns for the financial market.

Meanwhile, Taiwan's industrial production and export orders should continue to reflect slowing growth in the US and European economies. We do not think China's growth can fill the gap. A mid-teen yearly contraction is likely for both reports.

## Singapore inflation stays hot

Price pressures remain in Singapore as the impact of the recent implementation of the goods and services tax feeds through. Headline inflation could slow slightly to 6.4% YoY but core inflation is likely to heat up further to 5.6%. Faster inflation is expected to weigh on overall retail sales for at least the first half of the year. Elevated inflation could produce a potential policy response from the Monetary Authority of Singapore (MAS) at the April meeting. We expect MAS to retain its current hawkish stance given the significant challenges faced by Singapore's growth outlook.

## BSP to hike again as inflation remains an issue

Bangko Sentral ng Pilipinas (BSP) meets next week to discuss policy. Although we expect the central bank to sustain its rate hike cycle, we could see Governor Felipe Medalla downshift to a 25bp increase. Medalla recently hinted at a less aggressive rate hike when he called for the rapid deployment of supply-side measures to address the tight supply of basic food items. Recent developments in the global banking system will also be watched closely and thus we believe that next Thursday's hike could be the last for this tightening cycle.

## Key events in Asia next week

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 20 March</b>				
China	0115	Mar Loan Prime Rate 1Y/5Y	-	3.65/4.3
Korea	-	First 20 days exports	-	-
<b>Thursday 23 March</b>				
Australia	2200	Mar Manufacturing PMI Flash	-	50.5
	2200	Mar Services PMI Flash	-	50.7
	2200	Mar Composite PMI Flash	-	50.6
Philippines	0700	Policy Interest Rate	6.250	6
Singapore	0500	Feb Core CPI (YoY%)	5.6	5.5
	0500	Feb CPI (YoY%)	6.4	6.6
	0500	Feb Manufacturing Output (MoM%/YoY%)	-/-	-1.1/-2.7
Taiwan	0800	Q1 Discount Rate	-	1.75
	0800	Feb Industrial Output (YoY%)	-	-20.5
	0820	Feb Money Supply - M2 (YoY%)	-	6.67
Japan	2330	CPI (YoY%)	3.5	4.3
<b>Friday 24 March</b>				
India	1130	Q4 C/A Balance (USD bn)	-	-36.4
	1130	Q4 Balance Payments (USD bn)	-	-30.4
Indonesia	0300	Feb M2 Money Supply (YoY%)	-	8.2
Taiwan	0800	Feb Unemployment rate (%)	-	3.6

Source: Refinitiv, ING

### Authors

#### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

#### Min Joo Kang

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom

this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.