

## Asia week ahead: Regional inflation numbers and a Bank Indonesia decision

A quieter data calendar in Asia next week will feature inflation numbers from both Japan and Singapore while Bank Indonesia meets to decide on policy rates. The People's Bank of China will release its benchmark lending rates



### China Loan Prime Rates

The People's Bank of China will release its benchmark lending rates, the five-year and one-year loan prime rate. We are expecting it to follow the medium-term lending facility (MLF) rate to stay put.

Activity data released in the past few months have shown modest improvement in China's recovery, which together with concern about the weakness of the CNY, mean that rate cuts will probably be avoided for now.

## Taiwan's export orders and industrial production

Taiwan will release its export orders and industrial production numbers next week. Global semiconductor demand is slowly picking up, and we expect the decline in orders to further moderate to -4.8% year-on-year.

Industrial production is likely to follow suit and grow by -6.4% YoY. Exports have grown for three consecutive months since June – but the numbers are still negative, which is largely due to base effects.

## Bank Indonesia expected to pause

Bank Indonesia (BI) is expected to hold rates steady at 6% next week. A better-than-expected trade report coupled with the rebound of IDR suggests that there is little pressure on the central bank to hike rates, so they should remain unchanged in the central bank's upcoming meeting.

## Japan inflation

Next week, Japan's October CPI inflation will be out. We expect headline inflation to reaccelerate to 3.3% YoY in October (vs 3.0% in September). Prices of fresh food and energy will be the main drivers, but prices of other services are also expected to rise, reflecting the accumulated input price upward pressure.

Core inflation (excluding fresh food and energy) will likely stay above the 4.0% level, which is likely to shift the Bank of Japan's policy stance more towards the neutral from the ultra-easing bias.

## Singapore inflation edging higher

Singapore headline inflation could inch up slightly to 4.2% YoY from the previous month's reading of 4.1%. Compared to the previous month, prices might actually dip slightly by 0.2% month-on-month. Meanwhile, core inflation – the preferred measure of the Monetary Authority of Singapore – could be steady at 3%.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
<b>Monday 20 November</b>					
China	0115	Nov Loan Prime Rate 1Y	3.45	3.45	3.45
	0115	Nov Loan Prime Rate 5Y	4.2	4.2	4.2
Singapore	0000	Q3 GDP Final (QoQ%/YoY%)	1/0.7	/	1/0.7
Taiwan	0000	Oct Export Orders	-4.8		-15.6
<b>Tuesday 21 November</b>					
Indonesia		: Q3 Balance of Payments	-		-7.4
		: Q3 Current Account/GDP	-		-0.5
<b>Wednesday 22 November</b>					
Australia	2200	Nov Manufacturing PMI Flash	48.3		48.2
	2200	Nov Services PMI Flash	48.2		47.9
	2200	Nov Composite PMI Flash	47.9		47.6
Taiwan	0800	Oct Unemployment rate (%)	3.5		3.44
<b>Thursday 23 November</b>					
Japan	2330	Oct CPI (MoM%) NSA	-		0.3
	2330	Oct CPI NSA	-		106.2
Indonesia	0700	Nov 7-Day Reverse Repo	6	6	6
Singapore	0500	Oct Core CPI (YoY%)	3		3
	0500	Oct CPI (YoY%)	4.2		4.1
	0500	Oct CPI (MoM%) NSA	-0.2		0.5
	0500	Oct Manufacturing Output (MoM%/YoY%)	-/-	/	10.7/-2.1
Taiwan	0800	Oct Industrial Output (YoY%)	-6.4		-6.72
<b>Friday 24 November</b>					
Japan	0500	Sep Leading Indicator Revised	-		-0.5

Source: Refinitiv, ING

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