

## Asia week ahead: Regional inflation readings and an MAS decision

The coming week features inflation readings from China and India, plus a meeting for the Monetary Authority of Singapore (MAS), where policy settings are likely to remain untouched



### China inflation in the positive territory

China's CPI inflation has returned to positive territory last month after it briefly slipped to -0.3% year-on-year in July. We expect the inflation to edge slightly to 0.4% YoY as the recent data suggests that the government's efforts to boost the economy have had some impact.

On top of that, surging oil prices are likely to increase transport and energy costs for the period.

### India inflation to settle within RBI's target range

With supply concerns easing for key vegetables like tomatoes and onions, prices for these important commodities should moderate. As food items account for the bulk of the overall inflation basket, this should help bring India's inflation down to 5.8% YoY, just within the 2-6%

target range set by the Reserve Bank of India.

## MAS expected to keep setting untouched

The Monetary Authority of Singapore (MAS) is likely to retain its current policy setting next week. The MAS looks to balance slower growth alongside still elevated inflation and will opt to keep settings untouched. Growth has struggled as of late, with exports dragged down by soft global demand. Meanwhile, inflation has been on the downtrend but could flare back up given a renewed rise in global energy prices.

## Singapore GDP expected to remain subdued

Singapore's third-quarter GDP figures will be reported next week. We expect growth to settle at 0.6% YoY, rising 0.8% from the previous quarter. Retail sales were the lone bright spot for Singapore, managing to post modest growth for the quarter.

The return of visitors to Singapore could be one factor helping support retail sales. On the other hand, contracting industrial production and falling non-oil domestic exports will be the main elements pulling down growth.

## Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
<b>Monday 9 October</b>					
Indonesia	0400 Sep	Consumer Confidence Index	-		125.2
	0500 Sep	Forex Reserves	-		137.1
	0500 Aug	Retail Sales Index (YoY%)	-		1.6
Singapore	1000 Sep	Foreign Reserves USD	-		337.3
<b>Tuesday 10 October</b>					
China	- Sep	M2 Money Supply (YoY)	11	10.6	10.6
	- Sep	FDI (YTD)	-5.5		-5.1
India	- Sep	Fiscal Deficit - USD bn	-		24.16
	- Sep	Imports - USD bn	-		58.64
	- Sep	Exports - USD bn	-		34.48
Philippines	0200 Aug	Exports (YoY%)	-5.7		-1.2
	0200 Aug	Imports (YoY%)	-18.2		-15.3
Singapore	0200 Aug	Trade Balance	-4000		-4201
	0100 Q3	GDP Flash (QoQ%/YoY%)	0.9/0.6	/	0.3/0.5
<b>Wednesday 11 October</b>					
Taiwan	0900 Sep	Imports	-13.5	-13.8	-22.9
	0900 Sep	Exports	-3.5	-2.9	-7.3
	0900 Sep	Trade Balance	7.8	7.5	8.59
South Korea	0000 Aug	Current Account Balance NSA	2		3.58
<b>Thursday 12 October</b>					
Japan	0050 Aug	Core Machine Orders (MoM%)	-		
India	1300 Sep	CPI Inflation (YoY%)	5.8		6.83
	1300 Aug	Industrial Output (YoY%)	6		5.7
<b>Friday 13 October</b>					
Japan	0050 Sep	M2 Money Supply (YoY%)	-		12362609
China	0230 Sep	CPI (YoY%)	0.4	0.2	0.1
	0230 Sep	CPI (MoM%)	0.4	0.3	0.3
	0400 Sep	Exports	-8.7	-9	-8.8
	0400 Sep	Imports	-5.8	-6	-7.3
	0400 Sep	Trade Balance	69	70	68.36
India	0730 Sep	WPI Inflation (YoY%)	0.2		-0.52
South Korea	0000 Sep	Unemployment Rate	2.6		2.4

Source: Macrobond, ING

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