Asia week ahead: Slowing global trade likely weighing on Asia's export momentum

Global trade may be slowing and it's hitting both China and Taiwan's export sectors

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Slowing global trade weighing on China and Taiwan

Export data for China and Taiwan should show a deeper yearly contraction, which reflects high inflation in the US and Europe. As domestic demand and export demand have been weak, PPI in China continues to shrink year-on-year, with CPI stabilising just slightly above 2%.

Singapore retail sales supported by tourist arrivals?

Singapore retail sales will be out next week. We had expected a slowdown in retail sales due to elevated inflation, but retail sales managed to hold relatively firm, possibly supported by the influx of foreign visitors. We expect October retail sales to remain in expansion although the pace of growth may slow somewhat as higher prices finally bite.

Philippine inflation could hit 8%

Meanwhile, Philippine inflation is scheduled for release on 6 December. Headline inflation could hit 8.2%YoY, driven largely by higher food prices resulting from extensive crop damage due to typhoons. Bangko Sentral ng Pilipinas is likely to retain its hawkish bias to close out the year although governor Felipe Medalla has recently hinted that a pause may be in the cards as early as the first quarter of 2023.

Other data releases next week

Japan's third-quarter GDP reading will be out next week but we expect no change from its initial forecast. We expect the -0.3% quarter-on-quarter seasonally-adjusted preliminary forecast to hold.

Australia also releases GDP data for 3Q22, this time an initial forecast. We think it will slow a little from the 0.9%QoQ growth rate shown in 2Q22, but is likely to come in at around 0.7%QoQ, which still represents a very decent rate of growth.

A little before the GDP release, the Reserve Bank of Australia meets to decide on monetary policy. We have decided that the central bank is no longer particularly concerned with the flow of data, and will hike rates another 25bp despite recent softer-than-expected inflation.

And Reserve Bank of India also meets next week. Inflation remains higher than it would like but is showing some signs of peaking, while rates have already been raised a lot. It is not inconceivable that it will hike by only 25bp, less than the 35bp expected by the market.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 5 December			
Japan	0030	Nov Services PMI	-		50
	2330	Oct All Household Spending (MoM%/YoY%)	-		1.8/2.3
China	0145	Nov Caixin Services PMI	48.4		48.4
India	0500	Nov IHS Markit Services PMI	-		55.1
Singapore	0500	Oct Retail Sales (MoM%/YoY%)	1.5/8.4		3.3/11.2
Taiwan	0820	Nov Foreign Exchange Reserve	-		542.792
		Tuesday 6 December			
Australia	0030	Q3 Current Account Balance SA	-		18.3
	0330	Dec RBA Cash Rate	-		2.85
Philippines	0100	Nov CPI (MoM%/YoY%)	1.1/8.2		0.9/7.7
	0100	Nov Core CPI (YoY%)	6		5.9
Taiwan	0800	Nov CPI/WPI (YoY% NSA)	2.60/12.2		2.72/11.1
		Wednesday 7 December			
Japan	2350	Q3 GDP Revised (QoQ% ann)	-		-1.2
	2350	Q3 GDP Revised (QoQ%)	-		-0.3
Australia	0030	Q3 Real GDP (QoQ%/YoY%)	-/-		0.9/3.6
China	-	Nov FX Reserves (Monthly)	3.089		3.052
	0300	Nov Imports/Exports	-21.7/-14.3		-0.7/-0.3
	0300	Nov Trade Balance	80.2		85.15
India	0430	Repo Rate	-		5.9
	0430	Reverse Repo Rate	-		3.35
	0430	Cash Reserve Ratio	-		4.5
Indonesia	0400	Nov Forex Reserves	129		130.2
Philippines	-	Nov Forex Reserves (USD bn)	92.5		94.1
Singapore	0900	Nov Foreign Reserves (USD bn)	282		282.3
Taiwan	0800	Nov Imports/Exports	-16.8/0.67		8.2/-0.5
	0800	Nov Trade Balance	-0.02		2.99
		Thursday 8 December			
Japan	2350	Nov M2 Money Supply (YoY%)	-		12095971
Australia	0030	Oct Trade Balance (AUD bn)	-		12444
Indonesia	0300	Nov Consumer Confidence Index	-		120.3
South Korea	2300	Oct Current Account Balance NSA (USD bn)	-		1.61
		Friday 9 December			
China	0130	Nov CPI/PPI (YoY%)	2.2/-1.3		2.1/-1.3
Indonesia	1000	Oct Retail Sales Index (YoY)	-		4.6

Source: Refinitiv, ING

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