

Asia week ahead: Thailand heads to the polls

Will the government of Thai Prime Minister Prayut Chan-ocha maintain its hold on power in the elections this Sunday? We think it'll be a close call



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➔ A triangular battle for power in Thailand

The elections scheduled for this Sunday, 24 March will be a triangular battle between the military-backed party of prime minister Prayut Chan-o-cha, the pro-Thaksin political alliance, and the Democrat party led by former prime minister Abhisit Vejjajiva. It is likely to be a close call, but many are hoping these elections will end the five-year military rule in Thailand.

With the military-dominated senate, the upper house with all 250 members being military appointees, Prayut's Palang Pracharat party enjoys political advantage over its rivals. It only needs to win 126 seats in the 500 strong lower house for which the elections are being held. Yet, the likelihood of populist backing for pro-Thaksin parties could make the transition of power to the newly-elected government difficult. The third faction, the Democratic party, could be a swing factor. Although it has been critical of the military regime, it may not shake hands with the Thaksin faction either, so safe to say, it'll be complicated.

We expect markets to remain on the edge until the uncertainty lifts completely, as the results are expected sometime early next week. At 31.70, the Thai baht exchange rate against the dollar isn't far from our forecast of 32 for the end of March. It could re-test 33 in the event that uncertainty intensifies.

[Read why we think the Thai baht is likely to be an Asian outperformer in the medium-term](#)

➔ Trade to dominate agenda at the so-called Asian Davos

This year's annual Boao Forum - the so-called Asian Davos, takes place between 26-29 March.

The theme 'Shared Future, Concerted Action, Common Development', appears to be driven by rising global trade protectionism, needless to mention the ongoing trade tensions between the US and China. Speeches by China's central bank governor Yi Gang and finance minister Liu Kun may shed more light on Beijing's stance on the trade negotiations with the US. With the ebbing positive rhetoric in recent days, the uncertainty continues to linger with reports of the next Trump-Xi meeting getting pushed out to June.

➔ Export drag on Asian manufacturing to persist

Manufacturing data from across the region also crowd the calendar and exports continue to weigh down manufacturing growth.

Korea, Taiwan, Singapore, and Thailand's February industrial production data are due too - all reinforcing the prevalent weak trend. The combined January-February manufacturing growth will be a good gauge of GDP growth in the current quarter.

Asia Economic Calendar

Country	Time*	Data/event	ING	Survey	Prev.
Sunday 24 March					
Thailand	-	General Elections			
Monday 25 March					
Singapore	0500	Feb CPI (YoY%)	0.2	-	0.4
	0500	Feb CPI Core (YoY%)	1.6	-	1.7
Taiwan	0800	Feb Industrial Production (YoY%)	-12.7	-1.5	-1.9
	0810	Feb Money Supply (M2) (YoY%)	3.3	-	3.1
Tuesday 26 March					
Hong Kong	830	Feb Exports (YoY%)	-11.0	-	-0.4
	830	Feb Imports (YoY%)	-10.2	-	-6.0
	830	Feb Trade Balance (YoY%)	-40.3	-	-10.3
Singapore	0500	Feb Industrial Production (MoM/YoY%)	-2.6/2.2	-/-	0.9/-3.1
South Korea	2100	Mar BOK Consumer Sentiment Index	97.5	-	99.5
Wednesday 27 March					
China	0130	Feb Industrial Profits (YTD, YoY%)	-2.2	-	-1.9
South Korea	2100	Apr BOK Business Survey Index, mfg	69.8	-	76.0
	2100	Apr BOK Business Survey Index, non-mfg	69.5	-	75.0
Thursday 28 March					
South Korea	2300	Feb Industrial production (MoM, SA/YoY%)	-1.0/0.5	-/-	0.5/0.1
Thailand	0330	Feb Manufacturing Index (YoY%)	1.3	-	-0.5
Friday 29 March					
India	-	Feb Fiscal Deficit (INR crore)	-	-	69388.0
Philippines	-	Feb Budget Balance (PHP bn)	-	-	44.5
Thailand	0730	Feb Current Account Balance (US\$bn)	3.1	-	2.3

Source: ING, Bloomberg, *GMT

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