

## Asia week ahead: The slow-burn continues

The global trade war is slowly taking its toll on Asian economies. Even if it's not evident from Chinese data just yet, the slow-burn continues in the background for this front-line economy. The same goes for the rest of Asia, though we note some interesting exceptions



Source: Shutterstock

### ➔ China: Mixed message from June data

Like the broad consensus, we forecast the June activity data from China will contain mixed messages. While the trade war continues to weigh on exports and manufacturing, monetary indicators testify the fiscal stimulus is doing its best to counter the export-led slowdown.

Despite being a few points below 50, China's unchanged manufacturing PMI in June was quite a bad start to the June data releases. Clearly, trade and new lending will be the focal points next week, while industrial production, fixed asset investment, and retail sales releases – all feeding into the GDP release – aren't due for another two weeks.

For now, markets should take comfort that China's GDP growth remains firmly within the target of 6% - 6.5% for 2019. Anything above the lower end of this target range will be a bonus.

[Watch: China to double fiscal stimulus](#)

## ➔ Singapore: Second quarter report card arrives

Singapore's advance GDP estimate for 2Q19 is expected next week; no confirmed date, but most likely to be released on 12 July. The advance estimate is typically based on data for the first two months of the quarter. Indeed, export weakness intensified with double-digit year-on-year declines in non-oil domestic exports in April and May. This export weakness transmitted into weak GDP via manufacturing. The manufacturing PMI remained in contractionary territory in June, suggesting that the drag continued into the third month.

---

*The trade and tech war and global tech slump are hanging over the entire region, and we think waiting until the next Singapore central bank meeting in October to downscale the SGD appreciation path might be too long a wait – ING Asia Chief Economist, Rob Carnell*

---

Singapore central bank's managing director, Ravi Menon, flagged 2Q GDP growth coming in weaker than 1Q, hinting at the possibility of an intra-meeting policy adjustment to support growth. If true, will our forecast of 0.8% YoY (-0.2% QoQ annualized) 2Q GDP growth be enough to trigger central bank easing before October? It could quite well possibly be.

## ➔ Malaysia: Firmer growth, steady policy

Malaysia's central bank reviews its monetary policy next week. But having cut rates by 25 basis points in May, we don't think it's time for another cut to the 3.0% overnight policy rate just yet. We aren't alone - the consensus also agrees with us. The economy doesn't need any more easing, given the firmer activity growth in recent months, which in fact, indicates an unusual acceleration of [GDP growth in 2Q19](#).

With close to zero inflation keeping the real (policy) interest rate high relative to most other Asian economies, there is plenty of space for easing if the economy does pivot in an undesirable direction. For now, we believe the central bank will assess the economic risks as fairly balanced between growth and inflation and save that policy space for the future.

Our baseline view is that growth remains firm and monetary policy will remain stable for the rest of the year.

[Malaysia's exports beat expectations, again](#)

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 7 July</b>					
China	-	Jun Forex Reserves (US\$bn)	3106	3111	3101
<b>Monday 8 July</b>					
Taiwan	0900	Jun Exports (YoY%)	3.4	-	-4.8
	0900	Jun Imports (YoY%)	0.8	-	-5.9
	0900	Jun Trade balance (US\$bn)	6.0	-	4.49
<b>Tuesday 9 July</b>					
China	-	Jun Money supply (M2) (YoY%)	8.5	8.6	8.5
	-	Jun Aggregate finance (Yuan bn)	1900	1895.0	1395.2
	-	Jun Financial institution loans (Yuan bn)	1615	1725.0	1180
Malaysia	0800	Overnight Policy Rate	3.00	-	3.00
<b>Wednesday 10 July</b>					
China	0230	Jun CPI (YoY%)	2.7	2.7	2.7
	0230	Jun PPI (YoY%)	-0.5	0.3	0.6
Philippines	0200	May Exports (YoY%)	-1	-	0.4
	0200	May Imports (YoY%)	-0.2	-	-1.9
	0200	May Trade balance (US\$mn)	-3137.3	-	-3499
South Korea	0000	Jun Unemployment rate (% SA)	4.2	-	4.0
<b>Friday 12 July</b>					
China	-	Jun Trade Balance (US\$bn)	62.7	45.0	41.7
	-	Jun Exports (YoY%)	4.3	-1.3	1.1
	-	Jun Imports (YoY%)	-7.5	-3.5	-8.5
India	1300	Jun CPI (YoY%)	3.2	-	3.1
	1300	May Industrial production (YoY%)	2.7	-	3.4
Malaysia	0500	May Industrial production (YoY%)	3.5	-	4.0
Singapore	-	2Q GDP - advance (%QoQ ann/ YoY)	-0.2/0.8	-	3.8/1.2
	0600	May Retail sales value (MoM SA/YoY%)	-0.8/-1.9	-/-	0.5/-1.8

Source: ING, Bloomberg, \*GMT

### Author

#### Alissa Lefebvre

Economist

[alissa.lefebvre@ing.com](mailto:alissa.lefebvre@ing.com)

#### Deepali Bhargava

Regional Head of Research, Asia-Pacific

[Deepali.Bhargava@ing.com](mailto:Deepali.Bhargava@ing.com)

#### Ruben Dewitte

Economist

+32495364780

[ruben.dewitte@ing.com](mailto:ruben.dewitte@ing.com)

#### Kinga Havasi

Economic research trainee

[kinga.havasi@ing.com](mailto:kinga.havasi@ing.com)

#### Marten van Garderen

Consumer Economist, Netherlands  
[marten.van.garderen@ing.com](mailto:marten.van.garderen@ing.com)

**David Havrlant**  
Chief Economist, Czech Republic  
420 770 321 486  
[david.havrlant@ing.com](mailto:david.havrlant@ing.com)

**Sander Burgers**  
Senior Economist, Dutch Housing  
[sander.burgers@ing.com](mailto:sander.burgers@ing.com)

**Lynn Song**  
Chief Economist, Greater China  
[lynn.song@asia.ing.com](mailto:lynn.song@asia.ing.com)

**Michiel Tukker**  
Senior European Rates Strategist  
[michiel.tukker@ing.com](mailto:michiel.tukker@ing.com)

**Michal Rubaszek**  
Senior Economist, Poland  
[michal.rubaszek@ing.pl](mailto:michal.rubaszek@ing.pl)

**This is a test author**

**Stefan Posea**  
Economist, Romania  
[tiberiu-stefan.posea@ing.com](mailto:tiberiu-stefan.posea@ing.com)

**Marine Leleux**  
Sector Strategist, Financials  
[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Jesse Norcross**  
Senior Sector Strategist, Real Estate  
[jesse.norcross@ing.com](mailto:jesse.norcross@ing.com)

**Teise Stellema**  
Research Assistant, Energy Transition  
[teise.stellema@ing.com](mailto:teise.stellema@ing.com)

**Diederik Stadig**  
Sector Economist, TMT & Healthcare  
[diederik.stadig@ing.com](mailto:diederik.stadig@ing.com)

**Diogo Gouveia**

Sector Economist

[diogo.duarte.vieira.de.gouveia@ing.com](mailto:diogo.duarte.vieira.de.gouveia@ing.com)

**Marine Leleux**

Sector Strategist, Financials

[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Ewa Manthey**

Commodities Strategist

[ewa.manthey@ing.com](mailto:ewa.manthey@ing.com)

**ING Analysts**

**James Wilson**

EM Sovereign Strategist

[James.wilson@ing.com](mailto:James.wilson@ing.com)

**Sophie Smith**

Digital Editor

[sophie.smith@ing.com](mailto:sophie.smith@ing.com)

**Frantisek Taborsky**

EMEA FX & FI Strategist

[frantisek.taborsky@ing.com](mailto:frantisek.taborsky@ing.com)

**Adam Antoniak**

Senior Economist, Poland

[adam.antoniak@ing.pl](mailto:adam.antoniak@ing.pl)

**Min Joo Kang**

Senior Economist, South Korea and Japan

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

**Coco Zhang**

ESG Research

[coco.zhang@ing.com](mailto:coco.zhang@ing.com)

**Jan Frederik Slijkerman**

Senior Sector Strategist, TMT

[jan.frederik.slijkerman@ing.com](mailto:jan.frederik.slijkerman@ing.com)

**Katinka Jongkind**

Senior Economist, Services and Leisure

[Katinka.Jongkind@ing.com](mailto:Katinka.Jongkind@ing.com)

**Marina Le Blanc**

Sector Strategist, Financials

[Marina.Le.Blanc@ing.com](mailto:Marina.Le.Blanc@ing.com)

**Samuel Abettan**

Junior Economist

[samuel.abettan@ing.com](mailto:samuel.abettan@ing.com)

**Franziska Biehl**

Economist, Germany

[Franziska.Marie.Biehl@ing.de](mailto:Franziska.Marie.Biehl@ing.de)

**Rebecca Byrne**

Senior Editor and Supervisory Analyst

[rebecca.byrne@ing.com](mailto:rebecca.byrne@ing.com)

**Mirjam Bani**

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

[mirjam.bani@ing.com](mailto:mirjam.bani@ing.com)

**Timothy Rahill**

Credit Strategist

[timothy.rahill@ing.com](mailto:timothy.rahill@ing.com)

**Leszek Kasek**

Senior Economist, Poland

[leszek.kasek@ing.pl](mailto:leszek.kasek@ing.pl)

**Oleksiy Soroka, CFA**

Senior High Yield Credit Strategist

[oleksiy.soroka@ing.com](mailto:oleksiy.soroka@ing.com)

**Antoine Bouvet**

Head of European Rates Strategy

[antoine.bouvet@ing.com](mailto:antoine.bouvet@ing.com)

**Jeroen van den Broek**

Global Head of Sector Research

[jeroen.van.den.broek@ing.com](mailto:jeroen.van.den.broek@ing.com)

**Edse Dantuma**

Senior Sector Economist, Industry and Healthcare

[edse.dantuma@ing.com](mailto:edse.dantuma@ing.com)

**Francesco Pesole**

FX Strategist

[francesco.pesole@ing.com](mailto:francesco.pesole@ing.com)

**Rico Luman**

Senior Sector Economist, Transport and Logistics

[Rico.Luman@ing.com](mailto:Rico.Luman@ing.com)

**Jurjen Witteveen**

Sector Economist

[jurjen.witteveen@ing.com](mailto:jurjen.witteveen@ing.com)

**Dmitry Dolgin**

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

**Nicholas Mapa**

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

**Egor Fedorov**

Senior Credit Analyst

[egor.fedorov@ing.com](mailto:egor.fedorov@ing.com)

**Sebastian Franke**

Consumer Economist

[sebastian.franke@ing.de](mailto:sebastian.franke@ing.de)

**Gerben Hieminga**

Senior Sector Economist, Energy

[gerben.hieminga@ing.com](mailto:gerben.hieminga@ing.com)

**Nadège Tillier**

Head of Corporates Sector Strategy

[nadege.tillier@ing.com](mailto:nadege.tillier@ing.com)

**Charlotte de Montpellier**

Senior Economist, France and Switzerland

[charlotte.de.montpellier@ing.com](mailto:charlotte.de.montpellier@ing.com)

**Laura Straeter**

Behavioural Scientist

+31(0)611172684

[laura.Straeter@ing.com](mailto:laura.Straeter@ing.com)

**Valentin Tataru**

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

**James Smith**

Developed Markets Economist, UK

[james.smith@ing.com](mailto:james.smith@ing.com)

**Suvi Platerink Kosonen**

Senior Sector Strategist, Financials  
[suvi.platerink-kosonen@ing.com](mailto:suvi.platerink-kosonen@ing.com)

**Thijs Geijer**

Senior Sector Economist, Food & Agri  
[thijs.geijer@ing.com](mailto:thijs.geijer@ing.com)

**Maurice van Sante**

Senior Economist Construction & Team Lead Sectors  
[maurice.van.sante@ing.com](mailto:maurice.van.sante@ing.com)

**Marcel Klok**

Senior Economist, Netherlands  
[marcel.klok@ing.com](mailto:marcel.klok@ing.com)

**Piotr Poplawski**

Senior Economist, Poland  
[piotr.poplawski@ing.pl](mailto:piotr.poplawski@ing.pl)

**Paolo Pizzoli**

Senior Economist, Italy, Greece  
[paolo.pizzoli@ing.com](mailto:paolo.pizzoli@ing.com)

**Marieke Blom**

Chief Economist and Global Head of Research  
[marieke.blom@ing.com](mailto:marieke.blom@ing.com)

**Raoul Leering**

Senior Macro Economist  
[raoul.leering@ing.com](mailto:raoul.leering@ing.com)

**Maarten Leen**

Head of Global IFRS9 ME Scenarios  
[maarten.leen@ing.com](mailto:maarten.leen@ing.com)

**Maureen Schuller**

Head of Financials Sector Strategy  
[Maureen.Schuller@ing.com](mailto:Maureen.Schuller@ing.com)

**Warren Patterson**

Head of Commodities Strategy  
[Warren.Patterson@asia.ing.com](mailto:Warren.Patterson@asia.ing.com)

**Rafal Benecki**

Chief Economist, Poland  
[rafal.benecki@ing.pl](mailto:rafal.benecki@ing.pl)

**Philippe Ledent**



Senior Economist, Belgium, Luxembourg  
[philippe.ledent@ing.com](mailto:philippe.ledent@ing.com)

**Peter Virovacz**

Senior Economist, Hungary  
[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

**Inga Fechner**

Senior Economist, Germany, Global Trade  
[inga.fechner@ing.de](mailto:inga.fechner@ing.de)

**Dimitry Fleming**

Senior Data Analyst, Netherlands  
[Dimitry.Fleming@ing.com](mailto:Dimitry.Fleming@ing.com)

**Ciprian Dascalu**

Chief Economist, Romania  
+40 31 406 8990  
[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

**Muhammet Mercan**

Chief Economist, Turkey  
[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

**Iris Pang**

Chief Economist, Greater China  
[iris.pang@asia.ing.com](mailto:iris.pang@asia.ing.com)

**Sophie Freeman**

Writer, Group Research  
+44 20 7767 6209  
[Sophie.Freeman@uk.ing.com](mailto:Sophie.Freeman@uk.ing.com)

**Padhraic Garvey, CFA**

Regional Head of Research, Americas  
[padhraic.garvey@ing.com](mailto:padhraic.garvey@ing.com)

**James Knightley**

Chief International Economist, US  
[james.knightley@ing.com](mailto:james.knightley@ing.com)

**Tim Condon**

Asia Chief Economist  
+65 6232-6020

**Martin van Vliet**

Senior Interest Rate Strategist  
+31 20 563 8801

[martin.van.vliet@ing.com](mailto:martin.van.vliet@ing.com)

**Robert Carnell**

Regional Head of Research, Asia-Pacific

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

**Karol Pogorzelski**

Senior Economist, Poland

[Karol.Pogorzelski@ing.pl](mailto:Karol.Pogorzelski@ing.pl)

**Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

**Viraj Patel**

Foreign Exchange Strategist

+44 20 7767 6405

[viraj.patel@ing.com](mailto:viraj.patel@ing.com)

**Owen Thomas**

Global Head of Editorial Content

+44 (0) 207 767 5331

[owen.thomas@ing.com](mailto:owen.thomas@ing.com)

**Bert Colijn**

Chief Economist, Netherlands

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

**Peter Vanden Houte**

Chief Economist, Belgium, Luxembourg, Eurozone

[peter.vandenhoute@ing.com](mailto:peter.vandenhoute@ing.com)

**Benjamin Schroeder**

Senior Rates Strategist

[benjamin.schroeder@ing.com](mailto:benjamin.schroeder@ing.com)

**Chris Turner**

Global Head of Markets and Regional Head of Research for UK & CEE

[chris.turner@ing.com](mailto:chris.turner@ing.com)

**Gustavo Rangel**

Chief Economist, LATAM

+1 646 424 6464

[gustavo.rangel@ing.com](mailto:gustavo.rangel@ing.com)

**Carlo Cocuzzo**

Economist, Digital Finance

+44 20 7767 5306

[carlo.cocuzzo@ing.com](mailto:carlo.cocuzzo@ing.com)