

Asia week ahead: three central banks to meet

Three Asian central banks are due to meet next week but all thinking and no action means they are most likely to be non-events - though the Philippines central bank could steal the spotlight



Source: Shutterstock

4.5%

Philippines inflation in February

Surpassing the 2-4% medium-term target

Higher than expected

Philippines central bank defies tightening

The recent spike in Philippines' consumer price inflation (CPI) above the central bank's 2-4% target has put monetary policy under the spotlight ahead of the March 22 policy meeting.

Inflation jumped to 4% year-on-year in January and further to 4.5% in February from 3.3% in 2017. The impact of tax reforms, rising food and utility prices are the main reasons which we expect to continue in the coming months.

However, Bangko Sentral ng Pilipinas's (BSP) policymakers have flagged their intention of not rushing into tightening to curb inflation. They argue that inflation would return to the target zone within the next 12 months and given the 12-18 months of policy lag, any tightening now would be ineffective anyway.

ING revises rate hike forecast

ING's economist for the Philippines, [Joey Cuyegkeng](#) expects inflation to peak within the next three to six month and expects no rate hike next week. He has also revised his forecast to no change from two 25bp rate hikes this year.

The stable monetary policy and widening trade and current account deficits will keep the Philippine Peso Asia's underperforming currency this year.

Expect no change in Indonesia or Taiwan

The other two Asian central banks to meet next week are Bank Indonesia (BI) and Taiwan's Central Bank of China (CBC), and there is a unanimous consensus that there will be no policy change by either. We expect both central banks to maintain the current policy settings throughout 2018.

Running little over 3% inflation has faded to be a policy concern in Indonesia. The expectations are that it remains well-anchored within BI's 2.5-4.5% medium-term target. Growth is a bigger concern in Taiwan and weakening exports will put it above inflation as the policy goal this year. Taiwan data on export orders and industrial production will capture more attention next week.

A slew of inflation releases

February CPI inflation releases in Hong Kong, Malaysia and Singapore will be closely watched, and Malaysia and Singapore data will be of particular interest.

Our forecast of a further dip in Malaysian inflation below 2% means no pressure on the central bank to change policy anytime soon.

In Singapore, seasonally high food prices in the Lunar New Year month will pressure inflation up from zero percent in January, though these effects are transitory. We aren't so confident about

our forecast of the Monetary Authority of Singapore (MAS) moving to tightening in April.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Thursday 15 March					
India	-	4Q Current account balance (Q) (US\$bn)	-12.9	-	-7.213
Friday 16 March					
Singapore	0030	Feb Non-oil domestic exports (MoM/YoY%)	-0.3/8.3	0.1/4.4	-0.3/13
Monday 19 March					
China	0130	China February Property Prices	5.5	-	5.4
Thailand	-	Feb Exports (Cust est, YoY%)	9.7	-	17.6
	-	Feb Imports (Cust est, YoY%)	15.3	-	24.3
Thailand	0400	Feb Trade balance (Cust est, US\$m)	831	-	-119
South Korea	2100	Feb PPI (MoM/YoY%)	-/0.8	-/-	-/1.2
Philippines	0845	Feb Balance of payments (US\$m)	-	-	-531
Tuesday 20 March					
Taiwan	0800	Feb Export orders (YoY%)	18	2.8	19.72
Hong Kong	0815	Feb Composite CPI (YoY%)	2.7		1.7
Wednesday 21 March					
Malaysia	0400	Feb CPI (YoY%)	1.7	2.8	2.7
Thursday 22 March					
Malaysia	0700	Mar 15 Forex reserves- Month end (US\$bn)	-	-	103.7
Indonesia	-	Mar 22 BI policy decision (7-day reverse repo,%)	4.25	-	4.25
Philippines	0800	Overnight Borrowing Rate	3	-	3
	-	Jan Budget balance (PHP bn)	-	-	-107.1
Taiwan	-	Benchmark Interest Rate	1.375	1.375	1.375
Friday 23 March					
Singapore	0500	Feb CPI (YoY%)	0.6	-	0
	0500	Feb CPI core (YoY%)	1.6	-	1.4
Taiwan	0800	Feb Industrial production (YoY%)	3	0.3	10.86
	0820	Feb Money supply (M2) (YoY%)	3.5	-	3.42

Source: Bloomberg, ING

Author

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song
Chief Economist, Greater China
lynn.song@asia.ing.com

Michiel Tukker
Senior European Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek
Senior Economist, Poland
michal.rubaszek@ing.pl

This is a test author

Stefan Posea
Economist, Romania
tiberiu-stefan.posea@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Jesse Norcross
Senior Sector Strategist, Real Estate
jesse.norcross@ing.com

Teise Stellema
Research Assistant, Energy Transition
teise.stellema@ing.com

Diederik Stadig
Sector Economist, TMT & Healthcare
diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Senior Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

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

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials
suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri
thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors
maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands
marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering

Senior Macro Economist
raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley

Chief International Economist, US
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

Karol Pogorzelski

Senior Economist, Poland

Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist

+44 20 7767 6405

viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content

+44 (0) 207 767 5331

owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone

peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Chris Turner

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

chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM

+1 646 424 6464

gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance

+44 20 7767 5306

carlo.cocuzzo@ing.com