

Asia week ahead: Inflation readings across the region

Next week, we expect China's December inflation reading should move slightly back up towards zero following its recent descent into negative annual rates. Elsewhere, India's inflation will likely remain around 5.5% YoY, while in Australia the comparison with last years spike should be benign enough to see the inflation rate decline



China: Chance December inflation figures move slightly back up towards zero

China's December inflation reading will be carefully watched following its recent descent into negative annual rates, and there is a chance it will begin to move slightly back up towards zero. For all the talk of pork prices being the culprit of China's negative inflation, this was actually something that happened a year ago when prices spiked on the back of a swine fever outbreak. Wholesale pork prices in recent months have been extremely stable, falling only very slightly in December from November.

What is different this month is that pork prices in December 2022 had already begun to fall and this will help inflation to edge back towards positive readings. Last month's figures were also hit by lower gasoline prices – and while the average gasoline price in China in December is probably a little lower than November, it hasn't fallen quite as much, and the implied month-on-month overall inflation reading could be a lot closer to zero than the negative November figure.

India: Inflation to stay at 5.5% YoY

We also have Indian December inflation on the calendar next week, where there has been a broad-based decline in the prices of food, especially seasonal vegetables, potatoes, tomatoes and onions. This was also the pattern last year, so the impact on the inflation rate will be pretty small, if any, and should remain at about 5.5% year-on-year.

Australia: Inflation rate could decline substantially

Australian inflation is also coming up. Last year's surge in energy and food prices on the back of unseasonal cold and wet weather is unlikely to be repeated, at least not to the same extent, though we note that recent flooding in Queensland could still push up the prices in some areas. Even so, the comparison with last year's spikes should be benign enough to see the inflation rate decline – perhaps substantially.

Key events in Asia next week

Country	Time Data/event	ING Survey	Prev.
Monday 8 January			
Japan	2330 Nov All Household Spending (YoY%)	-	-2.5
	2330 Nov All Household Spending (MoM%)	-	-0.1
	2330 Dec Tokyo CPI (YoY%)	2.5	2.7
	2330 Dec Tokyo Ex-Fresh Food (YoY%)	2.2	2.3
Indonesia	0400 Dec Forex Reserves	-	138.1
	0300 Dec Consumer Confidence Index	-	123.6
Philippines	0100 Nov Exports (YoY%)	-	-17.5
	0100 Nov Imports (YoY%)	-	-4.4
	0100 Nov Trade Balance	-	-4174
South Korea	2300 Nov Current Account Balance NSA	7	6.8
Tuesday 9 January			
Indonesia	0400 Nov Retail Sales Index (YoY%)	-	2.4
Taiwan	0800 Dec Imports	-	-14.8
	0800 Dec Exports	-	3.8
	0800 Dec Trade Balance	-	9.8
South Korea	2300 Dec Unemployment Rate	2.9	2.8
Wednesday 10 January			
China	- Dec M2 Money Supply (YoY)	-	10
	- Dec FDI (YTD)	-	-10
India	- Dec Fiscal Deficit - USD bn	-	20.58
	- Dec Imports - USD bn	-	54.48
	- Dec Exports - USD bn	-	33.9
Thursday 11 January			
Australia	0030 Nov Trade Balance (A\$bn)	-	7129
South Korea	0100 Jan Bank of Korea Base Rate	3.5	3.5
Friday 12 January			
China	0130 Dec CPI (YoY%)	-0.4	-0.5
	0130 Dec CPI (MoM%)	0	-0.5
	0300 Dec Exports	-	0.5
	0300 Dec Imports	-	-0.6
	0300 Dec Trade Balance	-	68.39
India	1200 Dec CPI Inflation (YoY%)	5.5	5.55
	1200 Nov Industrial Output (YoY%)	-	11.7

Source: Refinitiv, ING

Author

Alissa Lefebre

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

