

Asia week ahead: Relatively light data calendar with scattered trade and production data

Next week's data calendar features China's policy guidance and Korea's presidential elections



With vaccination rates now above 70% in India, Covid-19 restrictions are easing

China releases policy guidance

China's annual Two Sessions (National People's Congress and Chinese People's Political Consultative Conference meetings) will take centre stage next week. The government work report is being released this Saturday (5 March), which will announce policies for the economy for 2022 ahead of the 20th Party Congress in the fourth quarter of this year. These policies will likely be geared towards the main theme of stability, which implies more pro-growth policies to offset the damage from the continued deleveraging reform on the real estate sector.

There are also many Chinese data points scheduled for release next week. We expect export and import data to reflect resilient growth on a year-on-year basis. Meanwhile, retail sales, fixed asset investments and industrial production should show a divergence in Chinese growth, with retail sales being the laggard within the economy. Loans should continue to increase robustly, although likely to a smaller extent than January – which is the usual pattern.

Trade data out in the Philippines

We expect recent trends for Philippine trade to hold with imports sustaining strong double-digit gains as the economy continues to gradually reopen. Elevated crude oil prices should also bloat the energy import bill, keeping the trade gap wider than US\$4bn. Exports on the other hand will post a decent gain on robust electronic component exports but will not likely keep up with the pace of expansion for inbound shipments. In the coming months, the trade gap should remain wide suggesting a sustained depreciation bias for the peso.

Impending Indian production data

India's January industrial production numbers will be out next week, which should reflect more of what the PMI data gave us an early glimpse of. The Omicron wave sent Covid case counts surging in January, peaking at levels (about 350,000 daily cases) only slightly lower than the second wave. With this came the unsurprising reimplementing of some movement restrictions, which were only wound back recently in India's capital. Daily Covid cases are now averaging just slightly over 10,000, boding well for the resumption of more normal activity with vaccination rates now above 70%.

Australia's business sentiment indicators should paint a positive outlook

After GDP growth figures released on Wednesday showed a sharp rebound for 4Q21 (actual: 3.4%, ING: 1.9%), February business confidence and conditions data will be released in Australia early next week. These should reflect continued improvement in business sentiment, as movement restrictions have been further reduced and states reopen their borders.

Korea may see a new president

The Korean presidential elections will take place next Wednesday (9 March). The respective candidates from the ruling party (Mr. Lee Jae-myung) and the major opposition party (Mr. Yoon Seok-yeol) have been running neck-and-neck in the polls, with around 40% support each. The latest polls have suggested Yoon is in the lead, but all remain within the statistical margin of error.

Key events in Asia next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 7 March					
China	0300 Feb	Exports	-		20.9
	0300 Feb	Imports	-		19.5
	0300 Feb	Trade Balance	-		94.5
		- Feb FX Reserves (Monthly)	-		3.2
Singapore	0900 Feb	Foreign Reserves USD	-		418.4
Tuesday 8 March					
Japan	2350 Q4	GDP Revised (QoQ% ann)	5.8		5.4
Australia	0030 Feb	NAB Business Conditions	9.6		2.7
	0030 Feb	NAB Business Confidence	12.7		3.5
Indonesia	0400 Feb	Forex Reserves	-		141.3
Taiwan	0800 Feb	CPI (MoM%/YoY%)	-		0.58/2.84
	0800 Feb	Imports	-		24.9
	0800 Feb	Exports	-		16.7
	0800 Feb	Trade Balance	-		4.9
Wednesday 9 March					
China	0130 Feb	CPI (MoM%/YoY%)	-		0.4/0.9
Indonesia	0300 Feb	Consumer Confidence Index	-		119.6
Thursday 10 March					
China	- Feb M2	Money Supply (YoY)	-		9.8
	- Feb FDI	(YTD)	-		11.6
S Korea	2300 Jan	Current Account Bal NSA	-4.5		6.06
Friday 11 March					
India	1200 Jan	Industrial Output (YoY%)	-7		0.4
Indonesia	0400 Jan	Retail Sales Index (YoY)	7.2		13.8
Philippines	0100 Jan	Exports (YoY%)	14.1		7.1
	0100 Jan	Imports (YoY%)	31.5		38.3
	0100 Jan	Trade Balance	-4752		-5213

Source: Refinitiv, ING

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