

Deluge of data from Asia - most of it positive

While the rest of the world comes to grips with fourth waves in the Covid pandemic, Asia-Pacific released a lot of data today, including Japan's latest Tankan survey. Most of it was positive



Source: istock

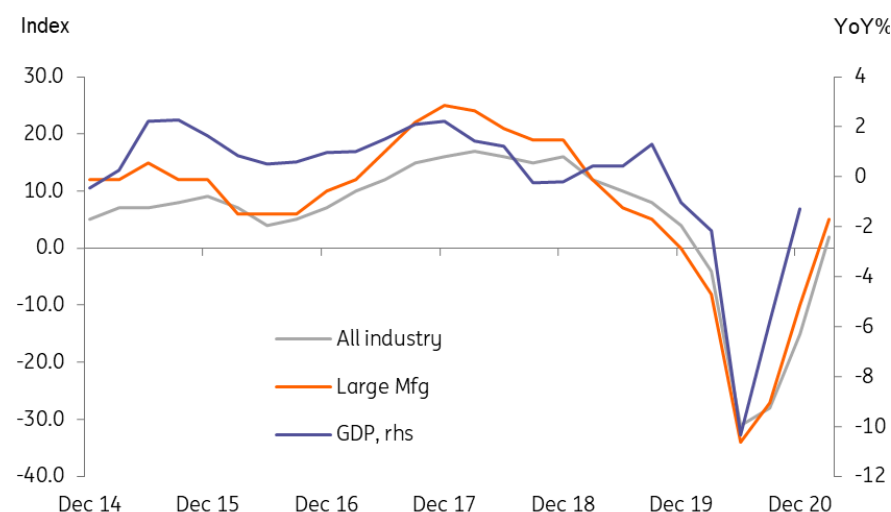
Still some worrying Covid-19 figures

I won't pretend that everything is rosy in Asia. Looking at the global daily Covid-19 cases today, India is back in second place, with approximately 72,000, just behind Brazil on 85,000. This is not a podium you want to ascend. The US, which had been making good progress amidst a strong vaccine rollout is seeing numbers creep up again, perhaps a lagged response to the scenes of Spring Break we saw recently. Didn't see much social distancing going on there. And vying for a podium position, France at about 41,000 is back in lockdown. Some other European economies may well follow suit, though this is a tough proposition in Europe, where this isn't accepted lightly by some segments of the population.

Our region's main Covid-19 worries centre around Indonesia and the Philippines, where daily rates are hovering at around 6,000. Well down US or European figures. Movement restrictions are in place in both economies but have struggled so far to get a solid grip on the virus. And getting the

numbers down to much lower levels has proved elusive. These lockdowns and other restrictions will weigh on economic activity for all three Asian economies mentioned, delaying their recoveries, and should serve as a warning to the rest of the region how fragile their relative strength is to a renewed wave or variant outbreak, especially while the vaccine rollout is proceeding at a very slow pace in most economies here.

Japan's Tankan headlines and GDP



Source: CEIC
March Tankan

But the economic data is pretty good

For now, though, the economic data is running pretty well. Out this morning already is a slew of regional data. I'll start with Japan's Tankan survey - Japan's quarterly business sentiment survey (though is a lot more than that if you have time to plough through the details) from the Bank of Japan. The market focus of this survey is usually on the large manufacturing firm headline index, and that surpassed expectations rising from -10 to +5. Large non-manufacturing firms improved to -1 from -5 (expected only -4), and there were improvements too for small firms in both manufacturing (-13 from -27) and non-manufacturing (-11 from -12) which exceeded expectations that had been muted by a less ebullient business survey from the Ministry of Finance some weeks earlier.

Slightly later, we had Korean export data for March, where exports rose 16.6%YoY, yet to see the big year on year comparison boost from Covid-induced weakness last year (that will come later in April and May releases), so we might well see these numbers hurtle still higher in the coming months. An 18.8%YoY increase in imports hints at a combination of much stronger exports next month, as well as strengthening domestic demand, both of which are welcome developments, and outweigh any slight undershoot of the trade surplus to \$4717m, which is still a big increase on the \$2616m February figure.

Further house price strength from New Zealand in the form of the CoreLogic data which rose to 16.1%YoY in March, up from 14.5% in February, must surely dash any hopes for further easing from the RBNZ, and might hasten thoughts of a return to tighter policy from them in due course.

In Australia, along with a decent Markit PMI, slipping only 0.2points to a still respectable 56.8, we

also got retail sales for February - a final figure and not as bad as expected at -0.8% MoM (-1.1% expected). Australian trade for February was a touch softer, with exports drifting down 1% from January despite some downwards revisions to that figure, though imports picked up a bit more than expected to 5% and squeezed the February trade surplus back to AUD7,529m from AUD9,616m in January.

Apart from the slight miss in Australia, PMIs across the rest of the region were almost all up from last month - Korea was flat at 53.3, but comfortably in expansion territory. Taiwan looks hot at 60.8 (up from 60.4), and even the region's underperformers - Malaysia at 49.9 and Thailand at 48.8 - both increased from February.

The rest of the day will deliver China's Caixin Mfg PMI and Indonesian CPI for March - though market moves may well be light ahead of the extended weekend for many and the lottery of tomorrow's non-farm payrolls after yesterday's ADP survey set the market up for another big gain. With payrolls, there is always scope for a shock.

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro

amrita.naik.nimbalkar@ing.com

Mateusz Sutowicz

Senior Economist, Poland

mateusz.sutowicz@ing.pl

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