

Asia week ahead: Bank of Korea rate decision, key data on China and India

We expect the Bank of Korea to keep rates unchanged. China's December trade data is expected to confirm that the 2025 surplus eclipsed previous record highs. India releases consumer price inflation data



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Asia Research Highlights of the Week

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China: December trade data set to round out a solid year

China's December trade data will be the highlight of an otherwise quiet week in Asia's biggest economy. We expect export growth to slow slightly at year-end to 3.0% year on year, reflecting front-loading effects from last year. Imports could also lag slightly at -1.6% YoY. After already eclipsing the \$ 1tn mark in November, we expect the full-year trade surplus to be near \$1.2tn, driven by a \$118.9bn trade surplus in December.

India: Mild inflation uptick and gradual trade balance improvement in December

India's consumer price inflation is expected to edge higher in December as favourable base effects diminish, and the impact of elevated gold and silver prices becomes more pronounced. Nevertheless, price pressures appear contained, with headline inflation likely to remain around 1.4% YoY. This would strengthen the case for the Reserve Bank of India to maintain its accommodative stance and consider additional rate cuts.

Separately, December trade data is expected to reflect a continued, albeit modest, improvement in the trade deficit. Our projection for further narrowing is primarily driven by lower crude oil prices and incremental export gains. Yet these benefits are likely to be partially offset by higher gold imports.

South Korea: Labour data is likely to weaken, as Bank of Korea remains on hold

The Bank of Korea is likely to keep its 2.5% policy rate unchanged on Thursday. While the IT sector's strength offers upside, the BoK remains cautious due to a weak KRW, inflation concerns, housing price pressures, and heightened geopolitical risks. These factors underscore uncertainty about future growth. While the overall dovish stance is expected to persist, a K-shaped recovery may pose challenges for the BoK. Meanwhile, the unemployment rate is anticipated to increase as most government job programmes ended in November or December. Recent business surveys suggested job growth within manufacturing, but services and construction are likely to remain weak.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Prev.
Monday 12 January				
India	1830	Dec CPI (YoY%)	1.4	0.7
Indonesia	1100	Nov Retail Sales (YoY%)	-	4.3
Tuesday 13 January				
Japan	0750	Nov Current Account (JPY bn)	-	2834
Wednesday 14 January				
China	1100	Dec Exports (YoY%)	3.0	5.9
	1100	Dec Imports (YoY%)	-1.6	1.9
	1100	Dec Trade Balance (USD bn)	118.9	111.7
India	1430	Dec WPI Inflation (YoY%)	0.5	-0.3
Thursday 15 January				
India	1700	Dec Balance of Trade (USD bn)	-23.0	-24.5
	1830	Dec Unemployment Rate	-	4.7
Japan	0750	Dec PPI (MoM%/YoY%)	0.2/2.5	0.3/2.7
South Korea	0900	Jan Bank of Korea Rate Decision	2.5	2.50
		- Dec Unemployment Rate	3.0	2.7
Friday 16 January				
India	1930	Jan FX Reserves (USD bn)	-	696.6

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