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Article

Asia week ahead: Trade and inflation reports

Trade reports, inflation from China and India plus a central bank meeting are on the calendar in the week ahead



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Trade data

Asia's data calendar is heavy on trade reports for the coming week, with Australia, China and the Philippines all scheduled to release data on exports and imports. Both exports and imports for China likely posted double-digit growth last December. China's exports are forecast to have jumped 20.1%, benefiting from some last-minute Western demand tied to the holiday shopping season. Meanwhile, China's imports are also expected to jump sharply, by 37.8%, this time fuelled by domestic demand ahead of the Lunar New Year. Meanwhile, recent trends in Philippine trade data will likely continue. Philippine imports are expected to grow 36.9%, outpacing the modest 10.4% expansion in exports. Double-digit import growth is tied to the economic reopening while export growth was likely driven by global demand for Philippine electronics components. The overall Philippine trade balance is projected to remain in deficit for November.

China and India inflation

Next week also features inflation reports from China and India. For China, PPI inflation is forecast to rise over 10% year-on-year and it should be slower than November's 12.9% rise due to lower LNG and coal prices. On the other hand, CPI inflation on a yearly basis should also be slower due to the base effect of pork prices.

Meanwhile, India releases December CPI inflation data on 12 January. The month-on-month CPI index will probably show a reversal of last month's gains, mainly due to some moderation in earlier vegetable price increases. But an even larger food price decline last December means that the year-on-year rate of inflation will probably rise quite sharply. We've pencilled in a 5.5% increase, but there is upside risk to this figure in our view.

BoK policy meeting

The Bank of Korea meets on Friday 14 Jan and although Governor Lee Ju-yeol has indicated that rates have not yet peaked and would probably rise again in 1Q22, the last meeting didn't provide any indication that there would be a further imminent cut, so we think if we get one more in the first quarter, it will probably be at the end of the quarter, which will also coincide with Governor Lee's last meeting before he steps down. He may of course opt to leave it up to his successor.

Asia Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Friday 7 January				
India	1130	FX Reserves, USD	-	635.1
Monday 10 January				
China		- Dec M2 Money Supply (YoY%)	8.6	8.5
		- Dec New Yuan Loan (CNY bn)	1557	1270
Philippines		- Dec Forex Reserves USD	-	107.7
Tuesday 11 January				
Australia	0030	Nov Trade Balance (A\$bn)	11494	11220
Indonesia	0400	Nov Retail Sales Index (YoY)	-	6.5
Philippines	0100	Nov Exports (YoY%)	10.4	2
	0100	Nov Imports (YoY%)	36.9	25.1
	0100	Nov Trade Balance	-3876	-4016
South Korea	2300	Dec Unemployment Rate	3.3	3.1
Wednesday 12 January				
Japan	2350	Dec M2 Money Supply (YoY%)	-	-4.1
China	0130	Dec CPI (YoY%)	1.8	2.3
		Dec PPI (YoY%)	10.5	0.4
China		- 1Y Medium Lending Facility (%)	2.95	2.95
India	1200	Dec CPI Inflation (YoY%)	5.5	4.91
	1200	Nov Industrial Output (YoY%)	2.6	3.2
Friday 14 January				
China	0300	Dec Exports	20.1	22.0
	0300	Dec Imports	37.8	31.7
	0300	Dec Trade Balance	54.72	71.7
India	0630	Dec WPI Inflation (YoY%)	12.7	14.23
	1130	Dec Fiscal Deficit - Bn INR	7785.7	6956
South Korea	0100	Jan Bank of Korea Base Rate	1.0	1.0

Source: Refinitiv, ING, *GMT

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