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GDW Asia

EMAX: From “hiking from weakness” to “hiking from strength”

Emerging Markets Asia, Economic and Policy Research

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EMAX: From “hiking from weakness” to “hiking from strength”

The two central banks in Asia that have been forced into hiking thus far have done so to preserve macroeconomic stability. Sustained pressure on the currency meant that Bank Indonesia (BI) surprised with an off-cycle 25bp hike this week after the USD/IDR surged to a new record high of ~18,200. This was complemented by a package of regulatory measures to address rising FX risks. FX pressures have eased since then, but remain elevated enough to warrant another 25 bps hike at next week’s regularly scheduled meeting, though this is now a closer call.

For its part, the Philippines has seen the largest surge in headline inflation in the region. Despite the softer May headline inflation print (6.8%oya), inflation remains uncomfortably elevated. Therefore, we expect the BSP to deliver a 50bp rate hike next week after hiking 25bp in April, as a preemptive measure to anchor rising inflation expectations and contain second-round effects. That said, while our baseline forecast is for a 50bp hike, the decision is likely to be close, with a 25bp hike plausible, given the recent decline in global crude prices.

However, another class of central banks is emerging in the region. Booming tech, greater-than-expected insulation from the Middle East crisis and fiscal policy supports have resulted in growth continuing to surprise to the upside. This week, 1Q growth in Korea was revised up to 7.5%, and the large terms-of-trade shock facing Asian tech exporters has led us to mark up full-year growth to 3.7%. Similarly, continued strength in tech and a recovery in non-tech have resulted in a large upgrade to 2Q GDP tracking in Taiwan. “Boomy” growth and a growing risk of inflation are likely to induce several central banks to consider hiking from a position of strength, in our view. The Bank of Korea struck a hawkish tone recently, and we now expect 100 bps of hikes over the next year. As growth continues to hold up, we expect similar pivots from Taiwan and Singapore. Next week’s CBC meeting should therefore be closely watched in Taiwan. May CPI was slightly above expectations, with headline inflation at 2.2%oya and core at 2.1%oya, driven by energy, fuel-linked transport costs and firmer food prices, while PPI surged 14.1%oya, raising pass-through and margin-squeeze risks. While a hike next week is a tail risk event for now, the key is whether the CBC signals that energy costs are feeding into core inflation and expectations, raising the likelihood of a rate hike before year-end.

China: AI tech lift masks narrower production impulse, 2Q downside risks persist

China’s May trade and inflation data point to a growing role for AI tech. Exports beat expectations, underpinned by a lift in high-tech exports, with rising price gains in memory chips/modules and new energy products contributing to nominal gains. The implication, however, is that the trade impulse is narrower and increasingly price-driven, which limits what headline export strength implies for domestic production. The read-through to IP and net export contribution to growth is therefore less clear and more sensitive to relative price moves and product mix. More generally, as tech is becoming a more important driver of China’s trade and price dynamics, and because a majority of the boost reflects higher prices, rather than broad-based volume gains, export headline strength tends to overstate the

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impulse to real industrial activity. We look for May IP to rise 0.5%m/m sa next week, partially offsetting the 1% decline in April. Retail sales should remain weak, with only a 0.1%m/m sa uptick, while year-to-date FAI likely stayed in contraction. If realized, this would suggest only a partial recovery from a weak April print and leave 2Q growth risks tilted to the downside.

Part of the 2Q weakness also reflects the scaling back of fiscal policy support, however, suggesting less payback in 2H than previously expected. Furthermore, the recent slowdown could prompt a faster deployment of fiscal funding in the coming months. Meanwhile, on the external side, the 2H export outlook should be supported by resilient global demand and a broadening of capex beyond tech, though this is likely to be partly offset by renewed US tariff uncertainty (a pivot toward Sections 301/232) and a tougher EU stance toward China. All told, however, as 2Q GDP risks are skewed to the downside, upside risks exists for the second half of the year, in our view.

Table 1: EM Asia data release

Date	Market	Data	Period	Unit	JPM	Consensus	Previous
Mon, 15-Jun	IN	Trade balance	May	US$bn	-27.5	-27.0	-28.4
	IN	WPI	May	%oya	10.1	9.5	8.3
Tue, 16-Jun	KR	Export price index	May	%oya	46.5	-	40.8
	KR	Import price index	May	%oya	22.5	-	20.2
	CN	IP	May	%oya	4.9	4.3	4.1
	CN	FAI	May	%oya, ytd	-1.1	-2.3	-1.6
	CN	Retail sales	May	%oya	0.3	-0.5	0.2
	KR	Money supply	Apr	%oya	5.6	-	5.6
	HK	Unemployment rate	May	%, SA, 3mma	3.7	3.7	3.7
Wed, 17-Jun	SG	NODX	May	%oya	34.1	-	29.1
Thu, 18-Jun	TW	Policy rate	Jun	%p.a.	2.00	2.00	2.00
	ID	Policy rate	Jun	%p.a.	5.75	5.75	5.50
	PH	Policy rate	Jun	%p.a.	5.00	4.75	4.50
Fri, 19-Jun	KR	PPI	May	%oya	6.9	-	6.9
	MY	CPI	May	%oya	2.1	2.1	1.9
	MY	Trade balance	May	US$bn	5.1	5.8	7.2
	MY	Exports	May	%oya	57.0	39.4	51.9
	MY	Imports	May	%oya	40.6	20.5	38.7

Source: Bloomberg Finance L.P. and J.P. Morgan forecasts

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Regional Economic Outlook in Summary

	2021 Nominal GDP, US$			Real GDP % year-on-year			Consumer prices % year-on-year		
	Total billion	% of region	per capita	2024	2025	2026	2024	2025	2026
Japan	4,935	n.a.	40,114	-0.2	1.1	0.6	2.7	3.2	2.0
Australia	1,634	n.a.	64,327	1.0	2.0	2.0	3.2	2.8	4.6
New Zealand	247	n.a.	48,861	-0.3	0.2	1.9	2.9	2.8	3.7
Emerging Asia	**26,963**	**100.0**	**8,048**	**4.9**	**5.1**	**4.9**	**1.2**	**0.6**	**1.9**
ex China and India	**6,175**	**22.9**	**10,794**	**3.9**	**4.0**	**4.7**	**2.1**	**1.6**	**2.9**
China	17,706	65.7	12,572	4.9	5.0	4.7	0.2	0.0	1.0
Hong Kong SAR, China	368	1.4	49,849	2.6	3.6	3.4	1.7	1.4	1.6
Taiwan, China	777	2.9	33,071	5.3	8.8	9.9	2.2	1.7	2.0
Korea	1,809	6.7	35,126	2.2	1.1	3.7	2.3	2.1	3.0
India	3,082	11.4	2,250	7.1	7.7	6.5	4.9	2.1	5.0
Indonesia	1,187	4.4	4,358	5.0	5.1	4.7	2.3	1.9	3.5
Malaysia	373	1.4	11,476	5.1	5.2	4.6	1.8	1.4	1.9
Philippines	393	1.5	3,576	5.7	4.4	4.0	3.2	1.6	6.3
Singapore	397	1.5	79,601	5.3	5.0	4.3	2.4	0.9	2.1
Thailand	506	1.9	7,237	2.9	2.4	2.1	0.4	-0.1	2.4
Vietnam	365	1.4	3,757	7.1	7.9	7.3	3.6	3.3	5.3

	Current account balance US$ billion			Current account % of GDP			Foreign reserves US$ billion		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Japan	n.a.	n.a.	n.a.	4.6	4.8	3.6	n.a.	n.a.	n.a.
Australia	n.a.	n.a.	n.a.	-2.2	-2.7	-2.7	n.a.	n.a.	n.a.
New Zealand	n.a.	n.a.	n.a.	-4.8	-3.7	-4.2	n.a.	n.a.	n.a.
Emerging Asia	**735.6**	**1088.3**	**1196.3**	**2.5**	**3.5**	**3.7**	**n.a.**	**n.a.**	**n.a.**
ex China and India	**386.9**	**457.1**	**601.3**	**5.4**	**6.1**	**8.2**	**n.a.**	**n.a.**	**n.a.**
China	423.9	747.9	754.1	2.3	3.8	3.6	n.a.	n.a.	n.a.
Hong Kong SAR, China	52.5	54.7	47.3	12.9	12.8	10.5	421	426	428
Taiwan, China	112.7	139.3	135.2	14.1	15.1	13.6	578	585	592
Korea	100.0	123.1	300.8	5.3	6.5	14.8	409	422	426
India	-75.2	-116.8	-159.1	-2.0	-3.0	-3.9	n.a.	n.a.	n.a.
Indonesia	-8.7	-10.2	-14.8	-0.6	-0.8	-1.0	149	145	140
Malaysia	7.2	9.7	14.9	1.7	2.1	2.8	124	127	130
Philippines	-17.5	-16.3	-21.9	-3.8	-3.3	-4.4	95	91	74
Singapore	98.5	100.9	128.0	17.2	16.7	19.9	n.a.	n.a.	n.a.
Thailand	11.6	22.8	2.3	2.2	3.9	0.4	217	249	270
Vietnam	30.5	33.1	9.7	6.8	6.6	1.8	83	87	82

	External debt % of GDP, end of period			Short-term foreign debt US$ billion, end of period			Government balance % of GDP, end of period		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Japan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-6.1	-6.7	-6.9
Australia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	-0.4	-0.6
New Zealand	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.6	-2.4	-2.7
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.0	-4.0	-4.0
Hong Kong SAR, China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1.8	0.1	0.6
Taiwan, China	26.2	23.5	22.5	207	213	221	-0.6	-1.0	-1.6
Korea	35.9	38.1	38.9	192	224	224	-1.7	-1.8	1.2
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-8.3	-7.9	-7.7
Indonesia	27.4	25.3	23.6	43	43	43	-2.7	-2.9	-3.0
Malaysia	50.6	47.3	44.0	119	129	139	-4.3	-3.8	-3.5
Philippines	28.5	30.6	33.6	21	22	27	-5.7	-5.6	-6.0
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	0.4	0.2
Thailand	37.0	34.1	32.1	86	75	75	-4.0	-4.7	-4.5
Vietnam	46.1	47.1	48.1	n.a.	n.a.	n.a.	-3.6	-3.8	-4.0

Source: National statistics authorities and J.P. Morgan

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Key economic statistics

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Real GDP, %-ch over 1 quarter, saar									
Japan		2.0	1.1	-2.3	0.7	1.8	0.2	1.0	0.8
Australia		1.0	3.9	1.5	3.5	1.1	1.6	1.5	1.9
New Zealand		4.5	-3.4	3.5	1.0	3.3	1.2	3.4	1.2
Emerging Asia		**4.7**	**5.0**	**4.4**	**5.8**	**6.7**	**3.9**	**3.4**	**3.5**
ex China and India		**2.6**	**5.7**	**5.0**	**6.7**	**6.1**	**2.9**	**3.4**	**3.3**
China		4.9	4.2	3.7	5.2	6.7	4.0	3.2	3.2
Hong Kong SAR, China		4.6	3.3	3.8	4.3	12.2	3.0	2.8	2.8
Taiwan, China		3.7	16.3	6.7	28.7	6.9	4.5	3.2	3.2
Korea		-0.7	2.6	5.6	-0.4	7.5	2.0	4.0	3.0
India		7.2	8.5	7.5	7.5	8.0	5.1	5.0	6.2
Indonesia		4.9	5.5	5.3	5.7	5.7	3.7	3.3	3.0
Malaysia		5.3	6.1	7.6	6.2	1.4	5.0	4.5	4.0
Philippines		4.9	3.7	1.4	2.4	3.8	4.9	5.7	8.2
Singapore		2.5	7.3	7.8	5.2	3.9	3.0	2.0	2.0
Thailand		1.9	2.2	-1.1	7.6	2.7	-1.1	1.2	2.0
Vietnam		7.8	12.0	8.0	5.0	5.0	4.5	6.0	6.0
Consumer prices, %oya, average									
Emerging Asia		**1.9**	**0.7**	**0.4**	**0.9**	**1.4**	**1.9**	**2.2**	**2.0**
ex China and India		**1.6**	**1.5**	**1.5**	**1.8**	**2.1**	**2.8**	**3.3**	**3.4**
China		-0.1	0.0	-0.2	0.6	0.8	1.2	1.3	0.9
Hong Kong SAR, China		1.6	1.8	1.1	1.3	1.6	1.6	1.5	1.7
Taiwan, China		2.2	1.6	1.5	1.3	1.2	2.1	2.3	2.2
Korea		2.1	2.1	2.0	2.4	2.1	3.0	3.7	3.5
India		3.9	3.1	1.9	0.8	3.1	4.1	4.9	5.6
Indonesia		0.6	1.8	2.4	2.8	3.9	2.7	3.2	3.6
Malaysia		1.5	1.3	1.3	1.4	1.6	2.0	2.0	2.1
Philippines		2.2	1.4	1.4	1.7	2.8	6.9	7.5	8.1
Singapore		1.0	0.8	0.6	1.2	1.5	1.9	2.6	2.4
Thailand		1.1	-0.3	-0.7	-0.5	-0.5	2.8	3.6	3.9
Vietnam		3.1	3.6	3.4	3.5	4.7	5.9	5.8	5.6

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Official interest rates, % p.a., end-period									
Japan	Pol rate IOER[1]	0.48	0.48	0.48	0.73	0.73	1.00	1.00	1.25
Australia	Cash rate	4.10	3.85	3.60	3.60	4.10	4.35	4.35	4.35
New Zealand	Cash rate	3.75	3.25	3.00	2.25	2.25	2.25	2.75	3.00
China	7-day Reverse repo rate	1.50	1.40	1.40	1.40	1.40	1.40	1.30	1.30
Taiwan, China	Official discount rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Korea	Base rate	2.75	2.50	2.50	2.50	2.50	2.50	2.75	3.00
India	Repo rate	6.25	5.50	5.50	5.25	5.25	5.25	5.25	5.25
Indonesia	BI RR rate	5.75	5.50	4.75	4.75	4.75	5.75	6.00	6.00
Malaysia	Overnight policy rate	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Philippines	Reverse repo rate	5.75	5.25	5.00	4.50	4.25	5.00	5.50	6.00
Thailand	1-day repo rate	2.00	1.75	1.50	1.25	1.00	1.00	1.00	1.00
Vietnam	Refinancing rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

1. BoJ sets the policy rate on IOER (O/N) and targets 10-year JGB yields as policy guidance.
Source: National statistics authorities and J.P. Morgan.

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Japan

- **BoJ to hike next week even in Governor Ueda's temporary absence**
- **The BoJ may signal further hikes, but sounding hawkish will not be easy with markets already priced**
- **SME sentiment picked up but price pressures continue to rise**
- **Next week: BoJ to move, May trade and CPI**

We expect the BoJ to raise the policy rate by 25bp to 1.0% at next week's Monetary Policy Meeting. The core issue is no longer whether the BoJ can hike, but whether it can afford to keep waiting: a delayed move risks intensifying upward pressure on long-term yields and renewed yen weakness—both of which could weigh on the real economy. Against that backdrop, we do not expect emphatic opposition to the decision, either within the Policy Board or from the government.

Instead, what will determine how the meeting is judged is the package and the messaging beyond the 25bp step. Communication on the path ahead (pace and destination) and the conclusions of the review of the JGB purchase plan will be pivotal in shaping whether the overall outcome is perceived as hawkish or dovish. With additional hikes already priced in in the market, even if the BoJ delivers a hike, the meeting could still be read as dovish if the balance-sheet normalization message softens—particularly if the BoJ decides to halt reducing JGB purchases after April 2027. In short, the rate decision is likely to be the easy part; the forward guidance on the hiking path and QT is the real market event.

BoJ faces high bar to be seen as hawkish

The BoJ announced that Governor Ueda has been hospitalized for medical treatment and will be absent from next week's meeting. Deputy Governor Himino will serve as acting chair, and Deputy Governor Uchida will hold the press conference on the Governor's behalf. The hospitalization is expected to be short, and Ueda is scheduled to attend the July meeting.

We expect limited impact on the policy decision itself. The direction toward a hike appears broadly shared among board members, making a sharp split in votes unlikely. While Governor Ueda cannot vote during his absence, he is expected to provide his views in writing. If the vote were to end in a tie, Deputy Governor Himino, acting as chair, would cast the deciding vote, but that call is not expected to diverge from Governor Ueda's intentions. The main uncertainty is the press conference. Deputy Governor Uchida is often viewed as one of the more dovish members of the current board, but as a temporary stand-in he has little incentive to strongly press personal preferences. Any difference may therefore be more about style than substance: whereas Governor Ueda, an academic by background, has tended to offer relatively theoretical explanations, Uchida may respond from a more practical perspective. If that comes through, the press conference could offer an unusually clear window into the BoJ's internal deliberations.

The broader backdrop remains challenging. With markets perceiving friction between the BoJ and the Takaichi administration over the course of policy normalization, renewed global inflation pressures linked to the Middle East conflict further complicate policy management. Governor Ueda has previously indicated that "by the time underlying inflation reaches 2%, the policy rate will have reached the neutral-rate range," but policy has not tracked that trajectory to date, in part reflecting caution amid global uncertainty. As the BoJ's core inflation measure (ex. fresh food and institutional factors) has risen to nearly 3%, the market has increasingly leaned toward the view that underlying inflation has already reached 2%. Even after a hike, however, the policy rate would only be 1.0%, which would merely reach the lower bound of the BoJ's estimated neutral-rate range (and the BoJ itself acknowledges that this estimate may be biased downward by the legacy of past accommodative settings). In that context, if the BoJ were to halt reductions in JGB purchases—as recent media reports suggest the Bank may be considering—the meeting could be judged dovish overall even if it delivers a rate hike.

In April, Middle East-related uncertainty tilted the BoJ toward holding rates, and that uncertainty has not fully dissipated. Still, incoming data point to a resilient economy and rising upside risks to inflation. With the BoJ's stance still accommodative, extending the wait-and-see approach could increase the risk of adverse effects on the economy and markets, reinforcing the sense that the BoJ is behind the curve. The BoJ will likely attempt to strike a more hawkish tone to alleviate such concerns, and Uchida may refer to the possibility of additional hikes at the press conference. But because markets have already priced in further tightening, the bar for messaging to be perceived as hawkish is high; a meaningful hawkish surprise would likely require signaling either a faster pace of tightening or a path above neutral (i.e., beyond 2%), which still looks like a marginal risk case rather than the base case.

On the QT review, we expect the existing reduction plan through March 2027—continuing reductions of JPY200 billion per quarter and cutting monthly purchases to JPY2.1 trillion—to be maintained, with the market's focus shifting to the purchase plan from April 2027 onward. We have argued that—gven the need to balance balance-sheet normalization

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with JGB market supply-demand concerns—it would be reasonable to slow the pace of reductions to JPY100 billion per quarter. However, a series of media reports have suggested the BoJ may be considering halting reductions and continuing monthly purchases of JPY2.1 trillion after April 2027, keeping the pace of QT broadly stable. If accurate, that would be a notable decision: while market participant feedback shows a wide dispersion of views, slightly more voices favored continuing reductions, so a halt could be interpreted as sensitivity to an administration increasingly shifting toward a more expansionary fiscal stance.

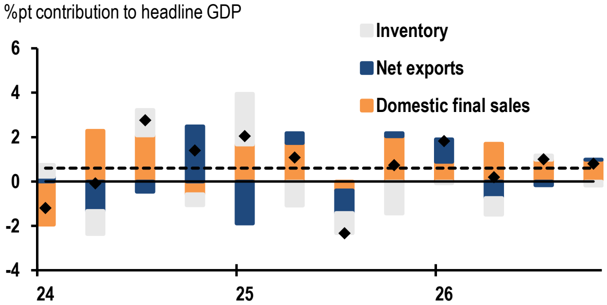
1Q GDP revised down on capex

1Q26 real GDP growth was revised down in the second estimate, from 2.1%q/q saar in the preliminary release to 1.8%. This was still stronger than our estimate of 1.2%. The downward revision was driven mainly by weaker capex, consistent with signals from last week's MoF corporate survey. While capex was revised down sharply into negative territory, private consumption was revised up, underscoring the resilience of domestic demand at the start of the year.

Business capex was downgraded from 1.1%q/q saar to -2.8% . We view this contraction as normalization after a 4.7% increase in 4Q25 and 2.1% y/y growth in 2025, rather than evidence of a broader slowdown in corporate activity. Indeed, the MoF corporate survey indicated that corporate sales and profits remained solid, particularly in manufacturing. Other domestic-demand components were also revised higher, including private consumption (from 1.1%q/q saar to 1.4%) and residential investment (from 2.1% to 3.7%). Public investment was revised up to 6.1%, its strongest increase since 1Q23. As a result, the contribution from domestic final sales was revised down by three-tenths to 0.9%pt, still above potential GDP growth (Figure 1). Meanwhile, the contribution from net exports was revised up by one-tenth to 1.0%pt, reflecting higher exports and lower imports.

Figure 1: Japan real GDP

%pt contribution to headline GDP



Source: CAO, J.P. Morgan. Dotted line shows potential growth. JPM forecasts from 2Q26.

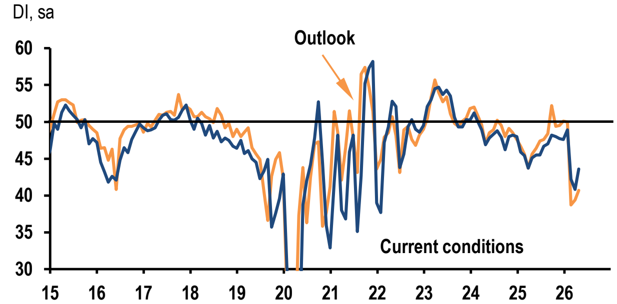
We expect GDP growth to slow this quarter as energy shocks intensify and begin to tighten supply constraints. That said, incoming data suggest that government subsidies aimed at curbing inflation and firm manufacturing demand—partly reflecting front-loaded demand—supported momentum through May. Moreover, the strong April consumption print points to continued underlying resilience, which should help the economy avoid a sharp growth slowdown.

May SME sentiment picks up

In the May Economy Watchers Survey, sentiment among small and medium-sized enterprises (SMEs) regarding current conditions improved 2.8 points to 43.6, the highest reading since March (Figure 2). Even so, SME sentiment remains weighed down by energy price shocks, with the index still 5.3pts below February's level. However, the rebound was stronger than we had expected, suggesting that resilient demand is easing some concerns. The three-month outlook index also rose 1.3pts to 40.7, but it remains 9.3pts below February, indicating persistent concerns about supply constraints and elevated uncertainty around the outlook.

Figure 2: Economy Watchers Index

DI, sa



Source: CAO, J.P. Morgan

The household activity-related index rebounded 3.3pts to 43.8, consistent with the recovery in consumer confidence. Sub-indices improved broadly, led by a sharp recovery in the food sector index, which surged 9.9pts to 44.5. In the commentary, a significant number of respondents concern that rising prices are weighing on consumer demand. Some respondents in particular pointed to food prices, which are set to rise in the near term. These concerns were partly offset by solid demand for holiday-related services, durable goods, and apparel.

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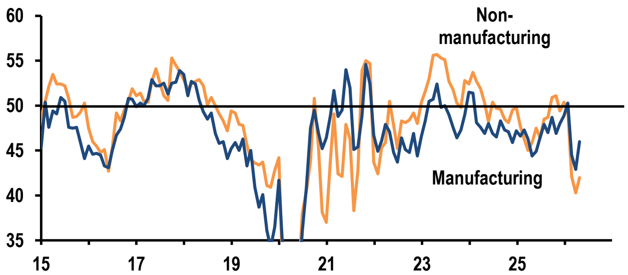
Figure 3: Economy Watchers Index, Current conditions index

DI, sa



Source: CAO, J.P. Morgan

The business activity-related index rose 2.2 points to 43.7. As in the May PMI, performance diverged between manufacturing and non-manufacturing (Figure 3): the manufacturing index climbed 3.1pts to 46.0, while the non-manufacturing index improved only 1.7pts to 42.0. Respondents pointed to strong AI-related demand benefiting the tech sector. At the same time, many cited the adverse effects of the energy shock—higher input and output costs, tighter input availability (particularly naphtha), and slower delivery times. Against this backdrop, some respondents in oil, ceramics and construction flagged the risk of output cuts. More broadly, firms expressed growing concern about higher prices and increasingly view meaningful pass-through to output prices as unavoidable.

Data releases and forecasts

Week of June 15 - 19

Wed	**Reuters Tankan survey**				
Jun 17	Diffusion index				
8:00am		**Mar**	**Apr**	**May**	**Jun**
	Manufacturing	18	7	8	3
	Nonmanufacturing	25	31	29	26

We expect both manufacturing and non-manufacturing sentiment to decline in June, reflecting tighter supply constraints, elevated cost pressures, and increased uncertainty about the global outlook.

Wed	**Customs-cleared international trade**				
Jun 17	%m/m sa				
8:50am		**Feb**	**Mar**	**Apr**	**May**
	Balance (JPY bn sa)	-357	95	236	-199
	Exports	-5.4	1.4	1.4	1.8
	Imports	3.3	-3.0	0.0	6.1
	Balance (JPY bn nsa)	37	631	299	-859
	Exports (%oya)	4.0	11.5	14.8	17.5
	Imports (%oya)	10.3	11.0	9.8	18.4
	BoJ real export index	-3.0	0.9	-2.8	0.5
	BoJ real import index	5.5	-4.7	-3.9	3.0

Preliminary data suggest that the trade balance will turn to a deficit in May, driven by higher imports.

Wed	**Machinery orders**				
Jun 17	%m/m sa				
8:50am		**Jan**	**Feb**	**Mar**	**Apr**
	Total	-2.0	-5.0	4.3	__
	Core private domestic orders[1]	-5.5	13.6	-9.4	-2.0
	Manufacturing	-12.5	30.7	-14.2	__
	Core nonmanufacturing	6.8	0.9	-6.0	__
	Public	-13.1	-19.0	-14.5	__
	Foreign	0.2	-5.1	31.0	__

1. Domestic private sector, ex for ships and from utilities

We expect monthly core private domestic orders to decline in April, reflecting greater business caution outside tech-related industries.

Fri	**Nationwide consumer prices**				
Jun 19	2020-based				
8:30am		**Feb**	**Mar**	**Apr**	**May**
	%oya				
	Overall	1.3	1.5	1.4	1.4
	Core (ex. fresh food)	1.6	1.8	1.4	1.3
	Core (ex. fresh food and energy)	2.5	2.4	1.9	1.8
	Core (ex. food and energy)	1.4	1.4	1.1	1.1
	%m/m, sa				
	Overall	-0.2	0.4	0.1	0.1
	Core (ex. fresh food)	-0.3	0.5	0.0	0.1
	Core (ex. fresh food and energy)	0.1	0.2	-0.2	0.0
	Core (ex. food and energy)	0.1	0.2	-0.1	0.1

The May nationwide CPI inflation will likely continue to show the dampening effect of subsidies on energy inflation and a further deceleration in food inflation. Although producer prices have already turned to a sharp increase, the pass-through to consumer prices is not expected to have progressed as of May, and a shift in the underlying inflation trend is likely to become visible from June onward.

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Review of the past week's data

GDP - 2nd estimate (Jun 8)

%q/q, saar

	3Q25		4Q25		1Q26	
Real GDP	~~-2.5~~	-2.3	~~0.8~~	0.7	~~1.2~~	1.8
Private consumption	2.1		~~0.2~~	0.3	~~1.1~~	1.4
Residential investment	~~-28.7~~	-28.4	21.3		~~2.1~~	3.7
Bus. capital investment	-0.4		~~5.6~~	4.7	~~-4.0~~	-2.8
Government consumption	~~0.2~~	0.3	~~0.0~~	1.5	~~0.4~~	1.3
Public investment	~~-4.2~~	-4.0	~~-0.8~~	-0.5	~~5.7~~	6.1
Exports	~~-6.2~~	-6.1	~~0.7~~	0.8	~~7.1~~	7.4
Imports	-0.7		0.0		~~1.9~~	1.7
%-pt contrib. to q/q saar GDP growth						
Domestic final sales	-0.4		~~2.1~~	2.0	~~0.2~~	0.9
Net exports	-1.0		0.1		~~0.9~~	1.0
Inventories	~~-1.0~~	-0.9	-1.4		~~0.0~~	-0.1
GDP deflator (%oya)	3.4		3.4		~~3.4~~	3.2

See main essay.

Bank lending (Jun 8)

%oya

	Mar	Apr		May	
Bank lending	5.2	~~6.0~~	5.9	___	6.3
%m/m, sa by J.P.Morgan	0.4	0.6			0.8

Balance of payments (Jun 8)

JPY bn, sa

	Feb	Mar	Apr	
Current account	2701	3901	~~3542~~	4211
Trade balance	-310	418	___	470
Exports	9839	10164	___	10191
Imports	10149	9746	___	9721
Services	-402	-614	___	272
Primary income	3738	4284	___	3689
Secondary income	-325	-188	___	-219
Current account (nsa)	3933	4681	~~3215~~	3908

Economy Watchers survey (Jun 8)

DI, sa

	Mar	Apr	May	
Current conditions	42.2	40.8	~~41.3~~	43.6
Households	41.7	40.5	___	43.8
Business	43.1	41.5	___	43.7
Employment	43.1	41.4	___	41.5

See main essay.

Producer prices index (Jun 10)

%oya, nsa, 2020-based

	Mar		Apr		May	
Domestic PPI	~~2.9~~	2.8	~~4.9~~	5.3	~~5.3~~	6.3
(%m/m)	0.8		~~1.8~~	2.2	~~0.5~~	1.0
Export prices	12.2		~~18.9~~	19.1	__	20.6
Import prices	~~8.0~~	8.1	~~17.5~~	21.0	__	25.5

The BoJ's Corporate Goods Price Index (CGPI) indicates that producer-side price pressures from energy and oil-derived inputs continued in May. Part of May's increase reflects the expiration of electricity and gas subsidies, but producer energy costs continued to climb: petroleum product prices rose 13.8%oya, while naphtha prices remained extremely elevated at 79.4%oya. Consistent with ongoing constraints in petrochemical-related inputs, chemical product prices increased 13.4%oya and plastic product prices rose 4.3%oya. Non-ferrous metal prices surged 42.2%oya, the strongest increase since 2006. While these increases have not yet broadened meaningfully to other goods categories, higher transportation and packaging costs are likely to push broader goods prices higher over time.

Import-cost pressures are also continuing to build. The import price index rose 25.5%oya (yen basis) and 15.5%oya (contract-currency basis), driven largely by energy, which increased 47.0%oya on a yen basis. Higher global energy prices lifted import prices of crude oil (53.6%oya), naphtha (98.1%oya), and LNG (16.9%oya). Beyond energy and metals, tech-related products also continued to raise both import and export prices: electronics import prices rose 22.6%oya. On the export side, electronics export prices increased 35.6%oya, contributing materially to the surge in overall export prices.

Sources for all data tables: ADA, BoJ, CAO, JCSA, JDSA, JFA, JLM, VMA, Markit, METI, MHLW, MILT, MoF, Reuters, Statistics Bureau, J.P. Morgan forecasts.

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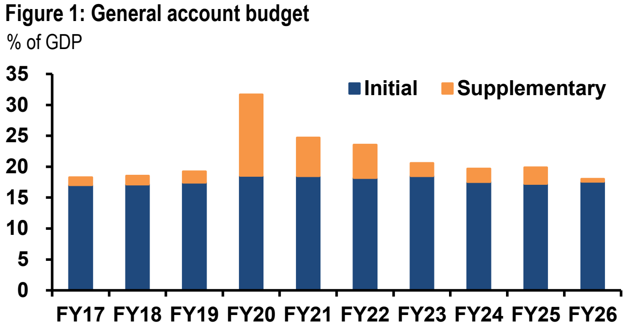
Japan Focus: The energy subsidy price tag

The Diet last week enacted a JPY3.1 trillion supplementary budget to secure additional funding for energy subsidies. The funding will be financed by adjusting the existing JGB issuance plan, so there will be no increase in bond issuance. Fuel subsidies launched in late March have pushed up monthly outlays amid persistently high crude prices; without additional measures, the roughly JPY1 trillion carried over from last fiscal year was expected to be exhausted before early summer. The supplementary budget addresses this.

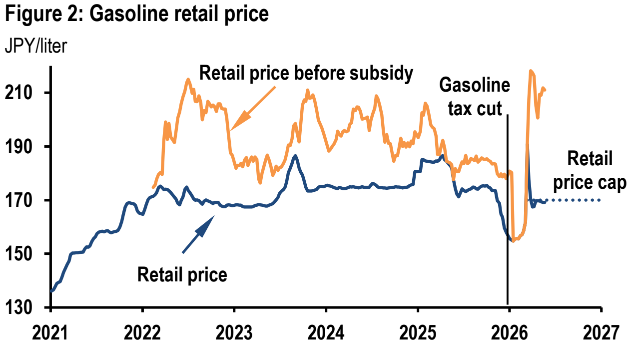
On a full-year basis, however, the budget does not materially expand FY26 spending, and the post-revision FY26 expenditure-to-GDP ratio is slightly below the pre-pandemic level (Figure 1). Nearly all of the package is earmarked for energy subsidies: JPY3 trillion to top up the reserve fund (likely for fuel subsidies and summer electricity/gas subsidies of around JPY500 billion) and JPY0.1 trillion for measures to lower business electricity bills.

Figure 1: General account budget



Source: MoF, J.P. Morgan

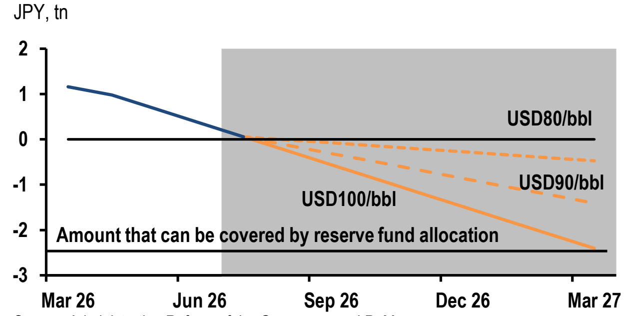
Figure 2: Gasoline retail price



Source: Agency for Natural Resources and Energy, J.P. Morgan

Under the current gasoline price cap of JPY170 per liter, an average subsidy of about JPY41 per liter was paid in April (Figure 2), with monthly outlays of JPY310 billion. If crude prices remain broadly flat around USD100 per barrel, the topped-up reserve will likely be used for gasoline subsidies within FY26 (Figure 3). If the government provides additional support for electricity and gas subsidies or supply-chain-related measures later this fiscal year, another supplementary budget would likely be required.

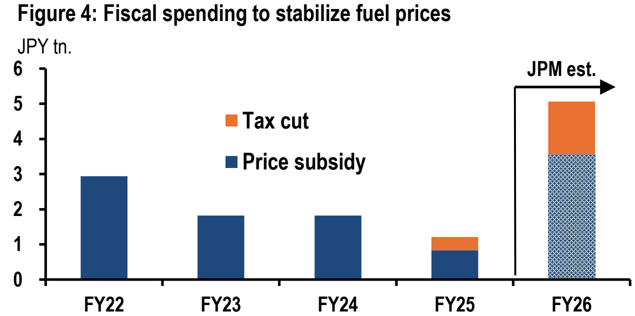
Figure 3: Subsidy fund outstandings by crude oil price scenario



Source: Administrative Reform of the Government, J.P. Morgan

If crude oil prices remain elevated, as we expect, FY26 gasoline-related fiscal costs could become sizable. The government has already abolished the temporary gasoline surtax in early 2026 (about JPY1.5 trillion in effective tax cuts); adding an estimated JPY3.6 trillion in gasoline subsidies through fiscal year-end would push the total above JPY5 trillion (around 0.7% of GDP), well above the roughly JPY3 trillion in FY22 (Figure 4).

Figure 4: Fiscal spending to stabilize fuel prices



Note: FY26 subsidy assumes the May subsidy remains unchanged throughout the year
Source: Administrative Reform of the Government, METI, , MoF, J.P. Morgan

Such concerns have been widely voiced in the Diet. In response, PM Takaichi said last week that she would consider, as necessary, revising the per-unit support level for gasoline subsidies. However, with inflation expected to trend higher into the summer, cuts to subsidies that could lead to higher retail gasoline prices are also likely to face a political backlash. The government is currently considering a large-scale growth investment budget and a reduction in the consumption tax on food from next fiscal year. If these generous energy subsidies are also forced to remain in place for longer, there is a risk that fiscal concerns will intensify in the second half of the year.

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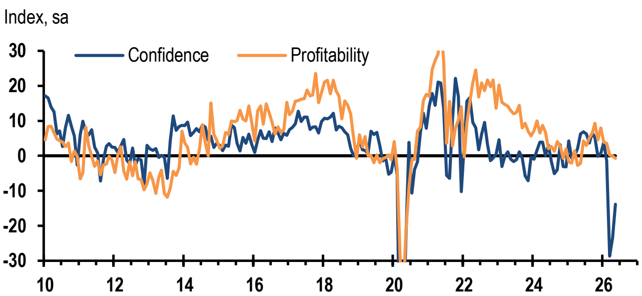
Australia and New Zealand

- **AU business confidence improves, but remains depressed**
- **RBA expected to hold, with inflation above-target but activity data softening**
- **NZ 1Q GDP expected to rebound +0.8%q/q**

In this week's NAB survey, Australian business confidence rose 9pts in May to -14 after April's extreme weakness, but remains almost two standard deviations below its long-run average and continues to signal a deeply pessimistic business sector (Figure 1). Business conditions were unchanged at +3, consolidating last month's step down.

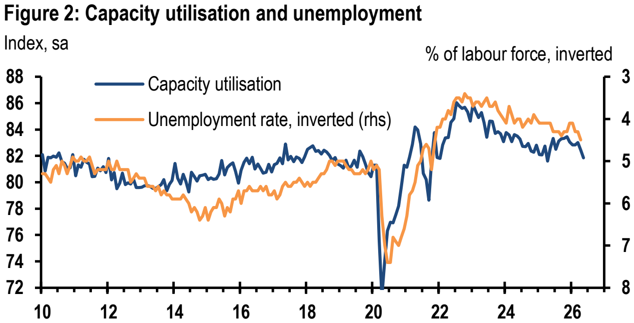
Figure 1: Business confidence and profitability



Source: NAB, J.P. Morgan

Within conditions, the profitability component declined again in May and is now down ~10pts below its 3Q25 peak. The improvement observed through 2H25 has now been fully unwound, reflecting tightening financial conditions and more recently, the shock to energy prices. The profile aligns with our view that the 2H25 inflation uplift was disproportionately goods-driven, facilitated by a period of firmer demand that allowed margin expansion rather than reflecting a re-acceleration in broader cost pressures. This week, that view was corroborated by RBA liaison data, which documented reduced downward pressure on margins in 2H25 as demand improved.

Figure 2: Capacity utilisation and unemployment



Source: NAB, ABS, J.P. Morgan

In other details, capacity utilisation fell a further 0.5%-pts to 81.9%, its lowest level in more than a year, consistent with our expectation that demand will soften through 2H26 and unemployment will drift gradually higher. With global energy supply chains still under strain, we see ongoing downside risks to business conditions.

RBA likely to hold

After three consecutive hikes into a slowing economy and narrow inflation impulse, there is little need for further RBA tightening. The RBA's commentary had of course been clear on this a month ago, flagging a period of stability (Table 1). This sets up next week as a relatively low-impact RBA meeting, with only a couple of bp priced for a hike. A straightforward on-hold vote seems likely (9-0, 8-1, etc), though with the reminder that inflation is too high, and the board will need to stay alert to spillovers.

Table 1: RBA commentary around transitions to on-hold periods

Statement date and context	Quote introduced at that meeting
May 2026	***"having raised the cash rate three times, monetary policy is well placed…"***
Aug 2025, last cut of the cycle	*"this takes the decline in the cash rate since the beginning of the year to 75bp"*
Jul 2023, starting extended pause after hikes	*"interest rates have been increased by 4%-pt since May last year"*
Oct 2022, moving to +25bp after a string of +50bps hikes	*"the cash rate has been increased substantially in a short period of time"*
Sep 2016 after last cut of mini-cycle	*"having eased monetary policy at its May and August meetings…"*
May 2010, starting extended pause after hikes	*"as a result of today's decision, rates… will be around average levels. This represents a significant adjustment …"*

Source: RBA, J.P. Morgan

In Governor Bullock's press conference, questions will be coming from all angles, given the negative news on housing, and inflationary fears from the minimum wage increase. We expect Bullock to err on the slightly hawkish side within this mix, but emphasize that policy is well-positioned for any eventuality after the recent tightening.

NZ growth to lift

New Zealand's recovery narrative softened at the end of last year, with 4Q25 GDP rising 0.2%q/q, well below market and RBNZ expectations and signaling a more fragile growth backdrop than previously assumed (Figure 3). Early year momentum in business surveys has also faded, with PMI/PSI readings consistent with only moderate growth through the March quarter. Even so, the macro preconditions for a cyclical upturn remain largely intact. Monetary policy is accommodative, and labor market dynamics suggest unemployment likely peaked in 4Q25, which should support demand through 2026.

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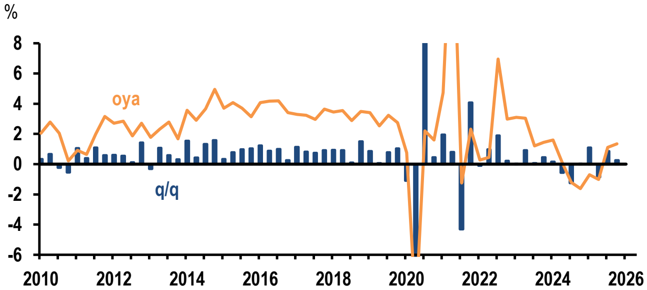
Figure 3: New Zealand GDP growth



Source: Stats NZ, J.P. Morgan

Across the components, we expect household consumption to rebound after last quarter's contraction, with nominal card spending tracking a moderate gain. Gross fixed capital formation should be a near-term drag, as building work volumes have softened across both residential and non-residential activity, partially offset by a steadier net trade impulse. Recent GDP prints have also been affected by residual seasonality linked to COVID-era distortions, with the March quarter tending to outperform tracking signals. We forecast 1Q GDP at +0.8%q/q, and expect growth to firm through the year, lifting towards 2.2%oya by year end.

Australia

Data releases and forecasts

Week of June 15 - 19

Tue	**RBA cash rate**				
Jun 16		**Feb**	**Mar**	**May**	**Jun**
2:30pm	%	3.85	4.10	4.35	<u>4.35</u>

See main text.

Review of past week's data

Westpac consumer sentiment			
	Apr	**May**	**Jun**
Index, sa	80.1	83.0	*80.6*

NAB business confidence			
	Mar	**Apr**	**May**
Confidence, sa	-28.7	-23.5	*-13.8*
Conditions, sa	5.6	2.8	*3.0*

MI inflation expectations			
	Mar	**Apr**	**May**
% p.a.	5.9	5.6	*5.5*

New Zealand

Data releases and forecasts

Week of June 15 - 19

Mon	**BusinessNZ services index**				
Jun 15		**Feb**	**Mar**	**Apr**	**May**
8:30am	Index, sa	91.6	80.1	83.0	
Wed	**Current account**				
Jun 17		**2Q25**	**3Q24**	**4Q25**	**1Q26**
8:45am	NZD bn, nsa	-1.30	-8.36	-5.98	
Thu	**Gross domestic product**				
Jun 18		**2Q25**	**3Q24**	**4Q25**	**1Q26**
8:45am	%q/q, sa	-0.9	0.9	0.2	<u>0.8</u>

See main text.

Fri	**Merchandise trade balance**				
Jun 19		**Feb**	**Mar**	**Apr**	**May**
8:45am	NZD bn, nsa	-0.4	0.4	1.9	

Review of past week's data

BusinessNZ manufacturing index			
	Mar	**Apr**	**May**
Index, sa	52.8	50.4	*49.9*

Sources: ABS, Stats NZ, RBA, BusinessNZ, Westpac, NAB, Melbourne Institute, J.P. Morgan

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Greater China

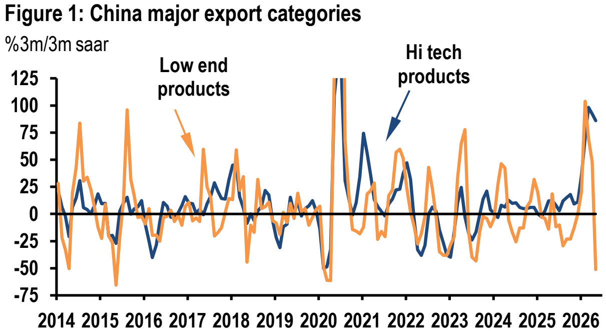
- **China: Exports beat expectations, led by AI tech**
- **CPI held steady, while PPI extended its upturn**
- **Rising concerns on outbound investment regulation; loans remain the primary drag on credit growth**
- **Taiwan: Exports strong across the spectrum; upgrade 2Q GDP growth forecast**
- **Next week: China FAI, IP, retail sales, housing; Taiwan CBC meeting**

May trade and inflation reports point to a rising role for AI tech. High-tech exports rose for a seventh consecutive month, while AI-related memory tightness also fed into communications tools CPI and broader IC/electronics PPI. The key caveat is that the trade strength appears narrower and increasingly price-driven, concentrated in memory ICs/modules, three new products (EVs, solar and batteries), which together accounted for around 60% of export growth, so the read-through to IP and net export contribution is less clear-cut than headline export growth suggests.

AI-related high-tech boosted exports

China's May exports rose 3.1%m/m sa after an April jump, beating expectations by a wide margin and lifting annual growth to 19.4%oya. High-tech shipments rose for the seventh consecutive month, at 8.0%m/m sa (Figure 1), led by mobile phones, electronic ICs and ADP, with prices likely providing a meaningful boost despite the official price-volume split still pending. Imports continued to expand for a sixth straight month after undershooting for most of 2025, rising 2.9%m/m sa (or 27.5%oya). Import strength was driven more by AI supply chain needs and commodity stockpiling (i.e., coal) than a broad domestic-demand recovery. Crude oil imports continued to decline in May, partly reflecting last year's reserve build and a preference to draw on inventories.

Figure 1: China major export categories



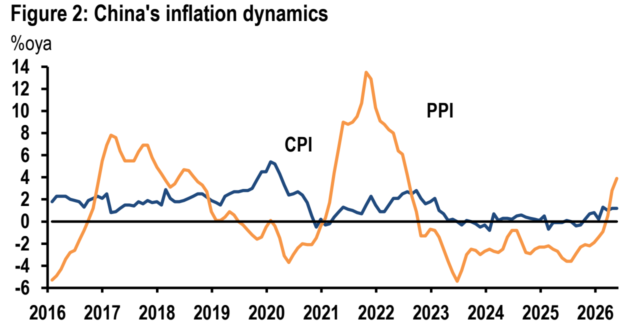
Source: China Customs; J. P. Morgan

A granular breakdown suggests that the year-to-date export strength is more narrowly product-focused and increasingly price-driven, making production and net export contribution to growth less clear-cut. Uncertainty is compounded by the prospect of new Section 301 tariffs and a tougher EU stance against China. Yet global growth has held up despite the energy shock, and capex strength is broadening into non-tech spending, supporting China's export momentum and China-linked supply chains. Barring a sharp pullback, nominal export growth could reach high single digits (possibly above 10%), while firmer imports may outpace exports for the first time since 2021.

Inflation broadly in line with expectations

Headline CPI stabilized at 1.2%oya in May, with a 0.1%m/m sa uptick (Figure 2). Communications tools prices edged higher (+1.5%m/m nsa) as AI-related memory tightness fed through, and education/culture/entertainment prices rose on Labor Day tourism. Persistent food deflation provided a partial offset. Ex-food/energy, core CPI eased to 1.1%oya (flat in %m/m). PPI extended its upturn, rising 0.8%m/m sa (3.9%oya), lifted by industrial upgrading and AI-driven compute demand, plus seasonal summer demand for coal, cooling appliances and power, while global oil price swings capped gains.

Figure 2: China's inflation dynamics



Source: NBS, J.P. Morgan

Normalization from the energy shock will take time, as infrastructure repairs and logistics frictions could keep prices elevated above pre-conflict levels through year-end. AI-related cost pass-through is broadening into upstream semis and downstream electronics, adding to a more durable inflation tailwind. These forces point to some upside risk to PPI inflation, though excess capacity elsewhere and weak consumer demand should cap the upside, keeping CPI more anchored. The GDP deflator is likely to turn positive in 2Q, ending a three-year deflation streak and supporting the PBOC's price-recovery mandate and reflation expectations.

Another strong beat on FX reserves

FX reserves rose US$31.7bn,to $3442.2bn in May, reflecting firmer-than-expected exports. Penciling in a wider current account surplus and a valuation loss amid a stronger USD,

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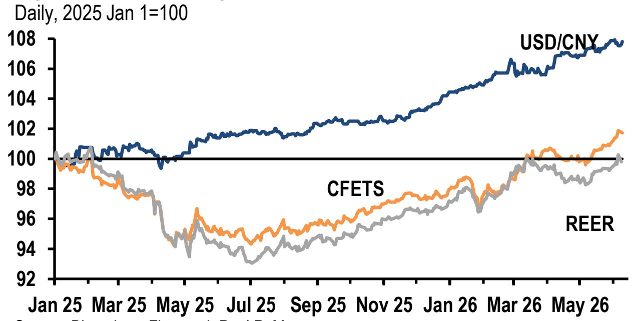
implied capital outflows remain muted, at US$20bn. PBOC accelerated gold purchases, while UST holdings declined. CFETS (+1.5%) and REER (+1%) strengthened in May, bringing the REER back to early-2025 levels (Figure 3). A firmer CNY basket could help ease geopolitical frictions and support RMB internationalization objectives under the 15th Five-Year Plan.

Figure 3: CNY exchange rates
Daily, 2025 Jan 1=100



Source: Bloomberg Finance L.P., J.P. Morgan

Recent regulatory moves have raised questions about whether China is meaningfully tightening outbound capital flows. The cross-border enforcement aims to shut down illicit solicitation/servicing and re-route flows into supervised pathways, rather than imposing a blanket ban on offshore investing. Against the backdrop of easing near-term capital outflow pressure and CNY strengthening, the State Council's Regulations on Outbound Investment also appear to be less about restricting outbound investment, but to standardize governance and tighten enforcement around activities that already sit within existing rules. It should be read as part of a broader effort to build a comprehensive regime for the prudent management of cross-border flows, including talent, technology, data, capital, etc.

Loans continued to drag on credit growth

New loan creation turned positive, at 520bn yuan, after April's contraction, but was still the weakest May print since 2009 (Figure 4). Corporate short-term loans and bill financing, a tool banks sometimes use to meet credit creation targets, provided the main lift. However, household loans and corporate medium- and long-term loans remained in contraction, signaling general demand weakness. Loan growth slowed to a new low of 5.5%, dragging TSF growth down 0.1%pt, to an historical low of 7.7%. Bond issuance was broadly in line with our expectations, with government bond issuance accelerating to 1222bn yuan, driven mainly by CGBs, while special LGB issuance remained slow.

While the PBOC's 1Q26 monetary policy operations report struck a relatively more hawkish tone and points to a low probability of a near-term cut, recent weakness, especially the surprisingly soft April activity data and downside risks to 2Q GDP, should keep a rate cut on the table. A more hawkish Fed and other major central banks may complicate the external backdrop, but China's rate decision should remain driven by domestic conditions, particularly with CNY still resilient and the main pressure being to slow appreciation, rather than defend against depreciation. A cut could become more likely in 2H if growth headwinds intensify and outweigh inflation risks. As usual, a 10bp move would likely be more of a policy signal than a meaningful easing impulse.

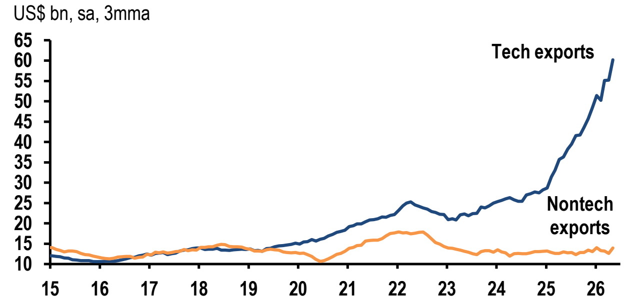
Figure 4: Loan growth
%oya

Source: PBOC, J.P. Morgan

Taiwan: Broad-based export strength

Taiwan's May exports rebounded sharply, fully reversing April's pullback and showing broader strength beyond tech. Nominal exports (USD) rose 11.1%m/m sa, with both tech (+11.3%) and non-tech (+10.5%) strengthening (Figure 5). Annual growth accelerated to 51.7%oya, and trend momentum stayed very strong, at 85.7%3m/3m saar. Imports also surged. Price dynamics remained firm, with the export price trend pace accelerating to 40.7%3m/3m saar. Import prices rose, as well, partly on higher energy and commodity costs.

Figure 5: Taiwan export breakdown by products
US$ bn, sa, 3mma



Source: MoF, J.P. Morgan

The broadening of export strength from tech into non-tech is encouraging. Tech exports bounced across telecom products and electronic components. Non-tech extended a third-month upswing, led by machinery, electrical machinery, minerals and textiles. Import gains were broad-based, with mineral products up and chemicals rebounding. Crude oil imports

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rose 76.4%oya amid Strait of Hormuz disruptions. By destination, exports to ASEAN and Mainland China/HK SAR led, while Europe fell.

Revising up 2Q GDP

We upgrade our current-quarter growth outlook, as the rebound in real exports signals upside risk to near-term industrial production, even as elevated price effects complicate the read-through. The tech upcycle remains intact: TSMC's capex guidance is leaning toward US$56bn, and management has not flagged conditions that would trigger a slowdown, consistent with demand-led investment amid an AI-driven supply shortfall that keeps utilization tight.

Despite the energy shock, several weaker links are firming. Export strength is broadening into non-tech, consistent with a global capex expansion that is spreading from tech to non-tech. Domestic demand indicators are also improving: Retail sales momentum accelerated, likely supported by equity wealth effects, better non-tech wage growth and lingering support from last year's cash handouts. The government's price stabilization framework has helped limit energy cost pass-through to CPI inflation, reducing the risk of a near-term squeeze on household purchasing power. A key offsetting risk is renewed tariff uncertainty tied to the USTR's Section 301 investigation, which could raise headline risk for some non-tech exports. Overall, we lift 2Q GDP by 2.3%pts, to 4.5%q/q saar, trim 0.4%pt from each quarter in 2H, and raise the full-year forecast to 9.9%y/y (Table 1).

Table 1: Taiwan GDP growth forecasts

	2026	1Q26	2Q26	3Q26	4Q26
%q/q, saar					
Old		6.9	2.2	3.6	3.6
New			**4.5**	**3.2**	**3.2**
%oya					
Old	9.6	14.6	10.7	9.9	4.1
New	**9.9**		**11.3**	**10.4**	**4.4**

Source: DGBAS, J.P Morgan

China

Data releases and forecasts

Week of June 15-19

		Feb	Mar	Apr	May
Tue	**Housing prices**				
Jun 16	% change				
9:30am	New home, %m/m	-0.3	-0.2	-0.2	
	%oya	-3.5	-3.6	-3.7	
	Secondary home, %m/m	-0.4	-0.2	-0.2	
	%oya	-6.3	-6.3	-6.2	

		Feb	Mar	Apr	May
Tue	**Fixed investment**				
Jun 16	% change				
10:00am	%oya	1.8	1.6	-8.0	0.3
	%oya, ytd	1.8	1.7	-1.6	-1.1

		Feb	Mar	Apr	May
Tue	**Industrial production**				
Jun 16	%				
10:00am	%oya	6.3	5.7	4.1	4.9
	%m/m sa	0.5	0.3	-1.0	0.5

		Feb	Mar	Apr	May
Tue	**Retail sales**				
Jun 16	% change				
10:00am	%oya	2.8	1.7	0.2	0.3
	%m/m sa	0.0	-0.1	-0.2	0.1

Review of past week's data

FX reserves (7 Jun)
US$bn

	Mar	Apr	May	
FX reserves	3342	3411	~~3405~~	*3442*

Merchandise trade (9 Jun)
US$bn

	Mar	Apr	May	
Balance	50.6	84.8	~~92.0~~	*105.4*
Exports	321.0	359.4	~~353.7~~	*376.8*
%oya	2.5	14.1	~~12.1~~	*19.4*
Imports	270.5	274.6	~~261.7~~	*271.3*
%oya	28.1	25.3	~~22.9~~	*27.5*

Consumer prices (10 Jun)
% change

	Mar	Apr	May	
%oya	1.0	1.2	~~1.3~~	*1.2*
%m/m, sa	0.2	0.2	~~0.2~~	*0.1*

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Producer prices (NBS) (10 Jun)

% change

	Mar	Apr	May	
%oya	0.5	2.8	~~3.8~~	*3.9*
%m/m sa	1.0	1.7	~~0.7~~	*0.8*

Monetary aggregates (12 Jun)

%oya, bn yuan

	Mar	Apr	May	
New loan creation	2990	-10	~~605~~	*520*
%oya	5.7	5.6	~~5.6~~	*5.5*
TSF flow	5224	625	~~1885~~	*2029*
%oya	7.9	7.8	7.7	
M2	8.5	8.6	~~8.7~~	*8.6*

Hong Kong SAR

Data releases and forecasts

Week of June 15-19

Tue	**Labor market survey**				
Jun 16	Sa, 3mma				
4:30pm		**Feb**	**Mar**	**Apr**	**May**
	Unemployment rate	3.8	3.7	3.7	3.7

Review of past week's data

No data released.

Taiwan

Data releases and forecasts

Week of June 15-19

Thu	**Central bank MPC meeting**				
Jun 18	% p.a.				
		25Q3	**25Q4**	**26Q1**	**26Q2**
	Rediscount rate	2.000	2.000	2.000	2.000

Review of past week's data

Merchandise trade (9 Jun)

US$bn

	Mar	Apr	May	
Balance	21.3	14.4	~~17.2~~	*17.9*
Exports	80.2	67.6	~~72.6~~	*78.5*
%oya	61.8	39.0	~~40.3~~	*51.7*
Imports	58.9	53.3	~~55.4~~	*60.6*
%oya	38.3	29.2	~~41.6~~	*54.9*

Source: NBS, China Customs, Hong Kong Census and Statistics Department, Taiwan Ministry of Economic Affairs, DGBAS, MoF, J.P. Morgan forecasts. The long-form nomenclature for references to China; Hong Kong; and Taiwan within this research material is Mainland China; Hong Kong SAR (China); and Taiwan (China).

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Korea

- **Terms of trade windfall lifts growth outlook: we now see 3.7% y/y growth for 2026**
- **10-day exports signal resilient tech momentum in June**
- **Weak May employment with a partial fiscal buffer in consumer-facing services**

This week's flash data were mixed. Early-June customs exports remained strong. While it will be difficult for triple-digit annualized growth to sustain as the level of exports keeps rising, the data still suggest that exports are in the midst of a tech-boom-driven level-shift-up. By contrast, labor market indicators were relatively weak, with employment declining for a third consecutive month—suggesting that, for now, the tech-sector windfall is having a disproportionate impact on corporate profits relative to household incomes. This divergence was also evident in the income-side national accounts data released this week.

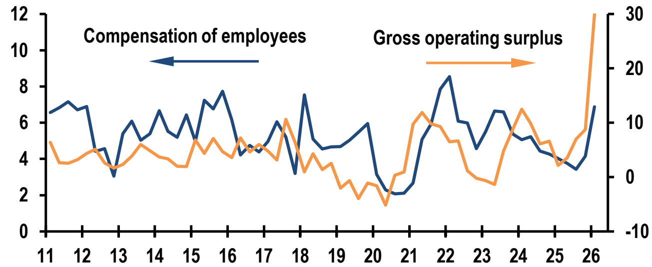
That said, the tech windfall has been powerful enough to warrant a further upgrade to our headline growth momentum outlook, and we have therefore raised our 2026 growth forecast sharply from 3.0% to 3.7%. We are maintaining our monetary policy outlook for now: a move to a faster pace than 25bp per quarter would likely be driven less by growth upside and more by a sharp change in financial stability conditions. Given elevated market volatility, we think it is still too early to make that call.

GDP revision implies stronger momentum

1Q GDP was revised higher, lifting real growth to 7.5% q/q saar, but the more important takeaway was the strength in nominal-side dynamics. A large positive terms-of-trade shock drove an outsized jump in the income measures—boosting the trade-goods component of GDI, the GDP deflator, and aggregate savings—suggesting the economy has moved onto a stronger nominal/income footing than the flash release implied. Given the scale of this income windfall, we upgrade our growth outlook meaningfully, raising our 2026 real GDP forecast to 3.7% y/y (from 3.0%) and 2027 to 2.7% (from 2.5%), alongside a higher nominal GDP trajectory.

The expenditure and production details reinforce a recovery that is becoming more broad-based, even if still led by manufacturing. Domestic demand improved as private consumption was revised up and facility investment was stronger, while construction was softer than initially reported and government consumption turned negative. Net exports remained a key pillar, with both exports and imports revised higher, but leaving the overall contribution broadly unchanged. On the production side, the rebound in manufacturing was led by the tech sector (and metals), services growth was revised up in line with firmer consumption, and petrochemicals contracted but within the prior range—consistent with a modest, manageable drag rather than a regime shift.

Figure 1: Distribution of income accounts
%oya, quarterly; both axes



Source: Bank of Korea, and J.P. Morgan

Crucially, the income distribution suggests that the terms-of-trade gains are likely to translate into spending through profits and capex more than through wage-led consumption. The surge in income was concentrated in gross operating surplus rather than employee compensation (Figure 1), implying stronger corporate capacity to invest, while households saw only modest changes in net saving behavior. Putting these pieces together, we raise our quarterly growth profile as well: 2Q growth is revised up to 2.0% q/q saar from 1.0%, and the second-half pace is upgraded on the view that the confirmed income and terms-of-trade tailwinds should continue to support exports, investment, and spillovers into consumption—even as the oil-shock drag in 2Q appears modest so far.

Early June exports remain strong

High-frequency customs data points to continued strength in the external sector, with 10-day exports up 85.9% oya and full-month growth estimated at 56.5% oya after adjusting for working days. Seasonally adjusted, early June exports rose 12.5% m/m, extending an eight-month streak of gains—the longest since the mid-1990s. This underscores the ongoing tech-driven upcycle, despite inherent volatility in high-frequency data. Imports also rose, with broad-based gains across energy and non-energy categories, and the customs trade surplus is on track to reach a new record in June. While sequential export growth may fade from recent highs, the annualized pace is expected to remain robust into 2Q, supporting our upgraded outlook for growth momentum.

Employment fell for third month

May labor market data signaled continued softness, with employment declining by 0.3% m/m sa and the labor force also shrinking for a third consecutive month. The seasonally adjusted jobless rate held at 2.8%, but the underlying job trend growth has weakened. While fiscal support provided a

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partial buffer for consumer-facing services, non-services sectors—especially manufacturing and construction—remained under pressure, reflecting ongoing cost headwinds and supply disruptions. Manufacturing employment has repeatedly stalled and declined since February, and construction losses in May erased earlier gains. Although the tech-driven terms-of-trade windfall is expected to gradually benefit workers over time, the near-term outlook for overall employment recovery faces a downside risk in the absence of a more supportive geopolitical backdrop.

Data releases and forecasts

Week of June 15-19

Tue Jun 16 6am — Import and export prices

%oya, in local currency terms

	Feb	Mar	Apr	May
Export prices	11.1	29.5	40.8	46.5
Import prices	1.6	20.4	20.2	22.5

Dubai oil prices lingering above $100 in May are likely to be inflationary for import prices, but the monthly increase may be more moderate than the volatility seen in March-April. Meanwhile, the trade-weighted KRW depreciated slightly further last month.

Tue Jun 16 12pm — Monetary aggregates

%oya, monthly average

	Jan	Feb	Mar	Apr
M2	4.7	4.9	5.6	5.6
Lf	6.6	7.1	7.5	7.8

Fri Jun 19 6am — Producer prices

% change

	Feb	Mar	Apr	May
%oya	2.5	4.1	6.9	6.9

With the government's energy wholesale price cap unchanged since late March, the monthly change in the energy PPI is likely to be softer than April's spike. On the flip side, recent spillover to energy-exposed core components observed in CPI prints poses an upside risk to our expectations, with manufacturing PMI price indices remaining elevated in May.

Fri Jun 19 6am — Stage of processing price index

% change

	Feb	Mar	Apr	May
%oya	1.4	3.8	9.9	11.3

Review of past week's data

Real GDP 2nd estimate (Jun 9)

% change

	3Q25		4Q25		2nd 1Q26	
%q/q, sa	~~1.3~~	*1.4*	~~-0.2~~	*-0.1*	~~1.7~~	*1.8*
%q/q, saar	5.4		-0.6		~~6.9~~	*7.5*
%oya	~~1.8~~	*2.1*	1.6		~~3.6~~	*3.8*

See main text.

Unemployment rate (Jun 11)

% of labor force

	Mar	Apr	May	
Seasonally adjusted	2.7	2.8	~~2.7~~	*2.8*
Not seasonally adjusted	3.0	2.9	~~2.6~~	2.9

See main text.

Sources: BoK, NSO, and J.P. Morgan forecasts.

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ASEAN

- **BI surprised with an off-cycle 25bp hike, which was accompanied by FX defense measures**
- **We expect BI to hike again by 25bp next week to 5.75% given the still-elevated FX pressures**
- **We expect the BSP to hike by a more decisive 50bp to 5.00% to address rising inflation expectations**

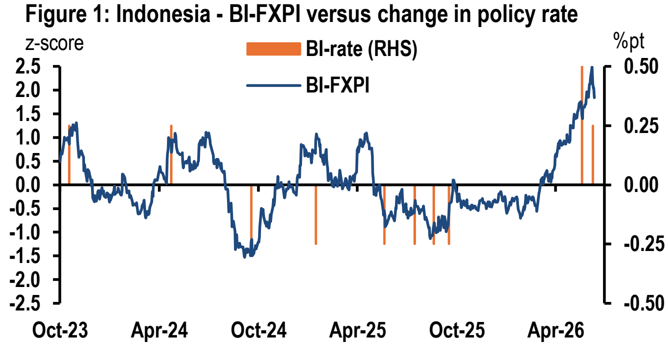
BI surprised with an off-cycle 25bp hike this week after the USD/IDR surged to a new record high of ~18,200. The BI also announced a package of measures to complement the hike in addressing rising FX risks. We still expect the BI to hike again next week, by another 25bp, amid still-elevated FX pressure. We also maintain our forecast for the BSP to deliver a 50bp hike next week, given rising inflation expectations, but acknowledge a risk of a 25bp hike, arising from the easing inflation pressures from the latest CPI release.

Indonesia: An off-cycle 25bp hike

BI delivered an unexpected off-cycle 25bp policy rate hike to 5.50%, in response to rising FX concerns. This was reflected by our BI-FX Pressure Index (BI-FXPI) rising further to 2.5 the day before the meeting, suggesting an extreme level of FX stress (Figure 1). The hike was complemented by higher SRBI yields, a 10% reduction in hedging swap costs, the reopening of the repo window and stepped-up FX intervention.

The package aims to attract portfolio inflows while limiting the impact of policy tightening on domestic liquidity. The measures came after the joint statement between BI and MOF over the weekend to boost the attractiveness of local asset yields to attract foreign portfolio inflows and support the IDR, without providing the details.

Figure 1: Indonesia - BI-FXPI versus change in policy rate



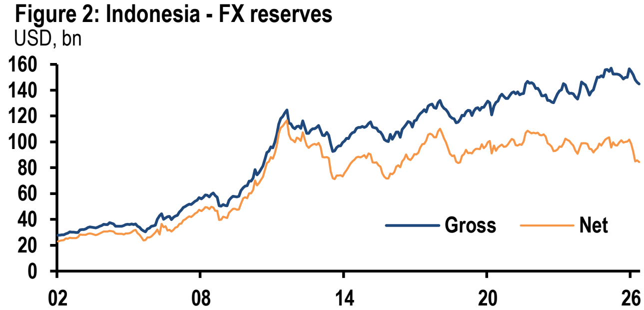
Source: Bloomberg Finance L.P., J.P. Morgan

BI preview: Another 25bp hike

Given the still-elevated FX pressure, we still expect BI to hike again by another 25bp next week to 5.75%, before another 25bp hike in July to 6.00%. The elevated FX pressure is in part caused by gross FX reserves falling further to USD144.9bn in May from USD146.2bn in April (Figure 2). Assuming short-term FX liabilities and net forward positions remained unchanged, this implies that net FX reserves also fell further to USD84.5bn from USD85.8bn.

USD/IDR remained around 18,000 after the off-cycle hike, still significantly weaker than BI's 2026 forecast range of 16,200-16,800 and its 2027 forecast range of 16,800-17,500. This suggests that the BI may need to hike again to re-anchor rupiah expectations and attract durable portfolio inflows. The pickup in headline and core CPI inflation in May also suggests there is scope for further tightening.

Figure 2: Indonesia - FX reserves



Source: CEIC, J.P. Morgan. We estimate net FX reserves by subtracting short-term foreign currency liabilities and forward position from gross FX reserves

BSP preview: We expect a 50bp hike

Despite the softer headline CPI print in May, we expect the BSP to deliver a 50bp rate hike next week to 5.00%, as a preemptive measure to anchor rising inflation expectations and contain second-round effects. Our projections still show a a rising headline inflation trajectory (peaking at 8.5%oya in November), with broadening price pressures across the CPI basket, according to our CPI diffusion index (Figure 3). The risk is skewed towards a 25bp hike should the BSP decide to adopt a more measured and data-dependent approach to the tightening cycle. We maintain our forecast for the BSP to hike the policy rate to 6.00% by end-2026, pencilling in a further 100bp of hikes after the 50bp response next week.

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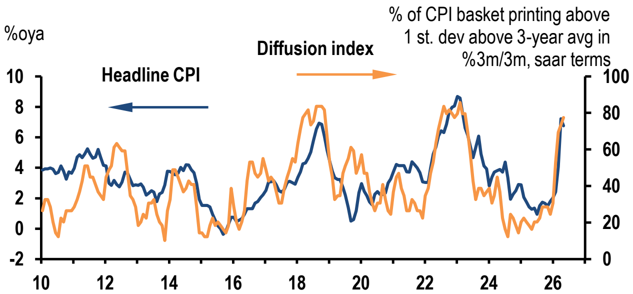
Figure 3: Philippines headline CPI vs. diffusion index¹



Source: CEIC, J.P. Morgan estimates 1. Simple average

Indonesia

Data releases and forecasts

Week of Jun 15-19

Thu	**BI monetary policy meeting**				
18-Jun	% pa				
		Apr	**May**	**Jun (off cycle)**	**Jun**
	BI rate	4.75	5.25	5.50	5.75

Malaysia

Data releases and forecasts

Week of Jun 15-19

Fri	**Consumer prices**				
19-Jun	% change				
12:00pm		**Feb**	**Mar**	**Apr**	**May**
	Total, %oya	1.5	1.7	1.9	2.1
	%m/m, sa	0.1	0.4	0.5	0.1
Fri	**Merchandise trade**				
19-Sep	US$ bn, nsa				
12:00pm		**Feb**	**Mar**	**Apr**	**May**
	Trade balance	4.3	6.2	7.2	5.1
	Exports	33.5	37.7	46.0	46.6
	%oya	25.8	21.6	51.9	57.0
	Imports	29.2	31.5	38.7	41.5
	%oya	22.8	24.0	33.1	40.6

Review of past week's data

No data released.

Philippines

Data releases and forecasts

Week of Jun 15-19

Thu	**BSP monetary policy meeting**				
18-Jun	% pa				
		Dec	**Feb**	**Apr**	**Jun**
	Reverse repo rate	4.50	4.25	4.50	5.0

Review of past week's data

No data released.

Singapore

Data releases and forecasts

Week of Jun 15-19

Wed	**Merchandise trade**				
17-Jun	US$ bn, nsa				
8:30am		**Feb**	**Mar**	**Apr**	**May**
	Trade balance	4.6	7.7	10.8	9.0
	Exports	47.3	64.3	70.3	70.0
	NODX	11.5	13.2	15.2	14.1
	%m/m, sa, US$ terms	5.0	1.9	11.3	-1.8
	%oya, US$ terms	10.6	20.3	29.1	34.1

Review of past week's data

No data released.

Thailand

Data releases and forecasts

Week of Jun 15-19

No data releases.

Review of past week's data

No data released.

Sources: Central Bureau of Statistics, Indonesia; Department of Statistics, Malaysia Coordination Board and National Statistics Office, Philippines, Singapore Statistics Department, Office for Industrial Economics, Thailand; Bank of Thailand; J.P. Morgan forecasts

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India

- **FY26 current account deficit benign at $25 bn (0.5% of GDP)**
- **Despite this, BoP is in deficit due to pressures on the capital account**
- **Services exports growth remains strong, led by GCC**
- **FY27 CAD expected at 2% of GDP**

We have highlighted previously that India's BoP pressures so far have been driven by the capital account, with the current account remaining contained. FY26 BoP data underscored this dynamic: the current account deficit (CAD) came in at a benign 0.5% of GDP, yet the overall BoP still printed a $23bn deficit.

Furthermore, 1Q26 delivered a notable upside surprise on CAD. The current account moved into a $7bn surplus (0.7% of GDP), versus expectations of a 0.3% of GDP deficit. As a result, the BoP also swung to a $7bn surplus, a sharp recovery from a $24bn deficit in 4Q25.

1Q26 CAB surprised to the upside

India's 1Q26 current account balance (CAB) recorded a $7bn surplus (0.7% of GDP), versus expectations of a 0.3% of GDP deficit and compared to a $15.5bn deficit (1.5% of GDP) in 4Q25. Recall that, due to seasonality, the current account typically narrows sharply in 1Q.

The positive surprise in 1Q26 was driven by larger-than-expected private transfers (mainly remittances). Private transfers rose to a record $41.5bn, up from $35bn in 4Q25 growing at 28%oya in 1Q26, versus average growth of 12% over the prior three quarters. This jump could reflect the weaker INR and/or precautionary transfers by Indian workers in the Middle East. In the absence of a geographic breakdown of remittances, it is difficult to pin down the exact driver.

In the details: The goods trade deficit printed at $83bn in 1Q26, narrowing from $96bn in 4Q25, as non-oil, non-gold (NoNG) imports slowed to 9%oya in 1Q26 from 16% in 4Q25. The narrowing occurred despite non-oil exports softening to -1%oya in 1Q26 from 3% in 4Q25. In parallel, the surplus on invisibles increased to $90bn in 1Q26 from $80bn in the prior quarter (Table 1).

Table 1: CAD breakdown

($ billion, nsa)	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Exports	116	113	109	111	113
Oil	14	18	13	12	12
Non-oil exports	102	95	96	100	101
Imports	176	182	198	207	197
Oil	44	49	43	43	39
Gold & Silver	11	8	21	27	27
Non-oil non-gold	121	124	134	137	131
Invisibles	73	66	75	80	90
Services	53	48	51	57	60
Transfers	32	31	36	35	41
Net Investment Income	-12	-13	-12	-12	-11
Current Account Balance ($bn)	13.6	-2.9	-14.0	-15.5	7.0
% of GDP	**1.4**	**-0.3**	**-1.5**	**-1.5**	**0.7**

Source: RBI

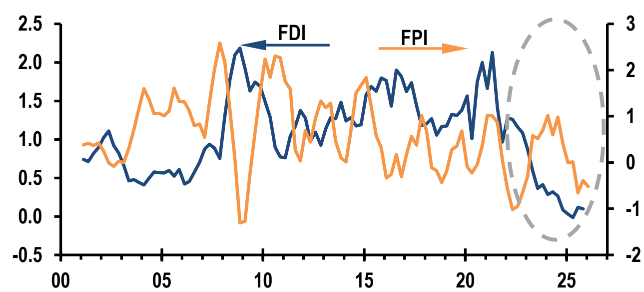
On the capital account, 1Q26 recorded a net outflow of $1bn, versus $8bn in 4Q25, despite a surge in equity-driven portfolio outflows ($12bn in 1Q26). The improvement was driven by higher net FDI and a sharp compression in other capital. Overall, India's BoP recovered meaningfully to a $7bn surplus in 1Q26, from a $24bn deficit in 4Q25.

FY26: BoP pressures capital-account led

As highlighted previously, India's BoP pressures since late 2024—unlike in past episodes—have been driven more by the capital account (especially FDI and FPI) than by the current account (Figure 1). In FY26 (year ending March 2026), the CAD was benign at $25bn (0.6% of GDP), broadly in line with ~0.6% of GDP in FY25 and 0.7% of GDP in FY24.

Figure 1: FDI and FPI balance

% of GDP, 4qma, both scales



Source: RBI, J.P. Morgan

Despite the benign CAD, BoP was in a $23bn deficit in FY26, widening from -$5bn in FY25, reflecting capital-account pressures. Moreover, the RBI's actual intervention across spot and forward markets totaled $71bn in FY26, materially larger than what the headline BoP deficit alone would imply.

What kept the CAD contained in FY26?

The CAD remained contained despite a widening in the goods trade deficit (9% of GDP in FY26 vs 8.1% in FY25). The larger trade gap reflected:

- stronger gold and non-oil, non-gold (NONG) imports,

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with NONG imports growing 12.4%oya in FY26 vs. 4.3% in FY25;

- subdued non-oil exports, growing 3.8%oya in FY26 vs. 5.8% in FY25, reflecting (among other factors) the impact of U.S. tariffs; and
- higher precious metals imports: gold and silver imports rose to $84bn in FY26 from $68bn in FY25 and $51bn in FY24, reflecting higher gold prices.

Net oil imports were slightly lower in FY26 ($113bn vs. $123bn in FY25), though they are likely to rise in FY27 with elevated oil prices. Despite the higher goods deficit, the CAD stayed roughly flat because invisibles grew 19%oya in FY26, not far from 20.5% growth in FY25, driven by strong growth in net services exports (15%) and remittances (17%).

Table 2: India: Balance of Payments
US$ billion

	FY22	FY23	FY24	FY25	FY26
Current a/c balance	**-39**	**-67**	**-26**	**-23**	**-25**
% of GDP	-1.2	-2.0	-0.7	-0.6	-0.6
Exports	430	456	441	442	446
Non-oil exports	362	357	357	378	393
Imports	619	721	686	729	783
Oil imports	162	209	181	186	166
Gold & Silver	49	40	51	68	84
Non-oil-non-gold	408	472	455	474	533
Net Invisibles	151	198	219	264	313
services	108	143	163	189	217
transfers	80	101	106	123	144
investment income	-37	-46	-50	-48	-48
Capital a/c balance	**86**	**58**	**90**	**18**	**2**
Net FDI	39	28	10	1	3
Portfolio investment	-17	-5	44	4	-16
Loans	34	8	7	29	27
Banking capital	7	21	41	-10	6
Other capital	24	7	-12	-7	-22
E&O	0	-1	0	2	0
Overall BOP	**48**	**-9**	**64**	**-5**	**-23**

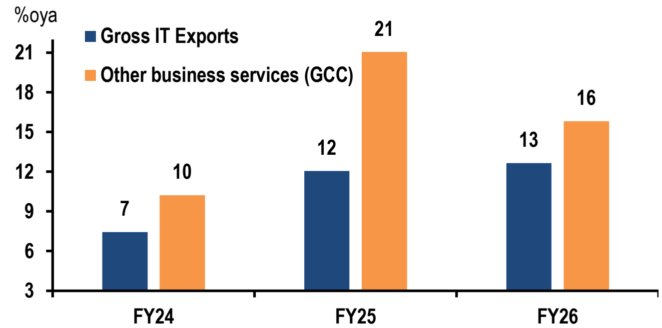
Source: RBI

Services exports remain resilient

Despite concerns about AI-led disruption, net services exports grew 15%oya in FY26, easing modestly from 16% in FY25. Within services exports:

- Software services (gross) grew 13% in FY26, up from 12% in FY25; and
- GCC/business services exports grew 16% in FY26 vs. 21% in FY25 (Figure 2)

Figure 2: Gross service exports



Source:RBI

FY27 outlook: CAD expected to widen

Following this print, and assuming oil prices average $95/bbl, we expect the FY27 CAD to be 2% of GDP.

Data releases and forecasts

Week of June 15-19

Mon **Trade balance**
15-Jun USD bn

	Feb	Mar	Apr	May
Trade balance	-27.1	-20.7	-28.3	-27.5

We expect the trade deficit to print ~$28bn, with an increase in oil imports offsetting a fall in NONG.

Mon **WPI**
15-Jun %oya

Feb	Mar	Apr	May
2.1	3.9	8.3	10.1

We expect WPI inflation in May to increase by 1.5%m/m, sa translating to a ~10.1%oya.

Review of past week's data

Consumer prices (Jun 12)
% oya

	Feb	Mar	Apr	May
CPI	3	3.4	3.5	3.9
Core-Core	2.1	2.2	2.2	2.3

Headline inflation picked up from 3.5% to 3.9%, led by increases in vegetable prices as well as fuel price hikes in May.

Sources: MoSPI, RBI, J.P. Morgan

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Japan economic calendar

Monday	Tuesday	Wednesday	Thursday	Friday
15 Jun **Tertiary sector activity index** (1:30pm) Apr BoJ Monetary Policy Meeting	**16 Jun** BoJ Monetary Policy Meeting BoJ Governor Ueda's press conference (3:30pm)	**17 Jun** **Reuters Tankan** (8:00am) Jun Mfg DI 3, Non-mfg DI 26 **Trade balance** (8:50am) May -199 billion yen **Private machinery orders** (8:50am) Apr -2.0 %m/m, sa	**18 Jun** **Real exports and imports** (2:00pm) May Real exports 0.5%m/m, sa Real imports 3.0%m/m, sa Auction 1-year note	**19 Jun** **Nationwide core CPI** (8:30am) May Ex. fresh food 1.3 %oya Ex. fresh food and energy 1.8 %oya Minutes of Apr 27-28 BoJ Monetary Policy Meeting (8:50am) Auction 3-month bill
22 Jun	**23 Jun** **PMI manufacturing prelim** (9:30am) Jun **PMI services prelim** (9:30am) Jun Auction 5-year note	**24 Jun** **Corporate service prices** (8:50am) May Summary of Opinions of Jun 15, 16 BoJ Monetary Policy Meeting (8:50am)	**25 Jun** **Coincident CI final** (2:00pm) Apr **Nationwide department store sales** (2:30pm) May Speech by Board Member TAMURA at a meeting with local leaders in Hyogo (10:00am) Auction 20-year note	**26 Jun** **Tokyo core CPI** (8:30am) Jun Auction 3-month bill
29 Jun **Total retail sales** (8:50am) May	**30 Jun** **Job offers to applicants ratio** (8:30am) May **Unemployment rate** (8:30am) May **IP prelim** (8:50am) May **Housing starts** (2:00pm) May Auction 2-year note	**1 Jul** **BoJ Tankan** (8:50am) 2Q **PMI manufacturing final** (9:30am) Jun **Consumer sentiment** (2:00pm) Jun	**2 Jul** Auction 10-year note	**3 Jul** **PMI services final** (9:30am) Jun Auction 3-month bill
6 Jul	**7 Jul** **All household spending** (8:30am) May **Employers' survey** (8:30am) May **Coincident CI prelim** (2:00pm) May Auction 30-year note	**8 Jul** **Bank lending** (8:50am)Jun **Current account** (8:50am) May **Economy watchers survey** (2:00pm) Jun Auction 6-month bill	**9 Jul** **M2** (8:50am) Jun Auction 5-year note	**10 Jul** **Corporate goods prices** (8:50am) Jun Auction 3-month bill

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Non-Japan Asia economic calendar

Monday	Tuesday	Wednesday	Thursday	Friday
15 Jun **India** WPI (12:00pm) May 10.1%oya Trade balance May US$27.5bn	**16 Jun** **South Korea** Export price index (6:00am) May 46.5%oya Import price index (6:00am) May 22.5%oya Money supply (12:00pm) Apr M2 5.6%oya **China** IP (10:00am) May 4.9%oya FAI (10:00am) May -1.1%oya, ytd Retail sales (10:00am) May 0.3%oya **Australia** RBA official rate announcement no change **Hong Kong SAR** Unemployment rate (4:30pm) May 3.7%, sa, 3mma *Holiday: Indonesia*	**17 Jun** **New Zealand** Current account balance (10:45am) 1Q **Singapore** NODX (8:30am) May 34.1%oya *Holiday: Malaysia*	**18 Jun** **New Zealand** GDP (10:45am) 1Q 0.8%q/q, sa **Philippines** BSP monetary policy meeting 50bp hike **Indonesia** BI monetary policy meeting 25bp hike **Taiwan** CBC monetary policy meeting no change	**19 Jun** **South Korea** PPI (6:00am) May 6.9%oya **New Zealand** Trade balance (10:45am) May **Malaysia** CPI (12:00pm) May 2.1%oya Trade balance (12:00pm) May US $5.1bn *Holiday: China, Hong Kong SAR, Taiwan*
During the week: Thailand Trade balance May (21-26 Jun)				
22 Jun	**23 Jun** **South Korea** Consumer survey (6:00am) Jun **Singapore** CPI (1:00pm) May **India** PMI mfg. prelim (10:30am) Jun **Taiwan** Export orders (4:00pm) May Unemployment rate (4:00pm) May **Hong Kong SAR** CPI (4:30pm) May	**24 Jun** **Thailand** BOT monetary policy meeting **Taiwan** IP (4:00pm) May	**25 Jun** **Australia** Unemployment rate (11:30am) May **Hong Kong SAR** Trade balance (4:30pm) May	**26 Jun** **Singapore** IP (1:00pm) May *Holiday: India*
During the week: Thailand Mfg. Production May (27-29 Jun)				
29 Jun **India** IP (4:00pm) May	**30 Jun** **South Korea** IP (8:00am) May **Philippines** Trade balance (9:00am) May **Australia** Pvt. sector credit (11:30am) May **China** PMI mfg. (NBS) (9:30am) Jun **Thailand** PCI (2:30pm) May PII (2:30pm) May	**1 Jul** **South Korea** Trade balance (9:00am) Jun PMI mfg. (9:30am) Jun **Taiwan** PMI mfg. (8:30am) Jun **China** PMI Mfg. (9:45am) Jun **Indonesia** Trade balance (11:00am) May CPI (11:00am) Jun **India** PMI mfg. (10:30am) *Holiday: Hong Kong SAR*	**2 Jul** **New Zealand** Building permits (10:45am) Jun **South Korea** CPI (8:00am) Jun **Australia** Trade balance (11:30am) May **Hong Kong SAR** Retail sales (4:30pm) May **Singapore** PMI (9:00pm) Jun	**3 Jul** **Vietnam** Exports (9:05am) Jun Industrial output (9:05am) Jun CPI (9:05am) Jun
6 Jul **New Zealand** ANZ commodity price (1:00pm) Jun **Australia** ANZ job advertisements (11:30am) Jun **Thailand** CPI (10:30am) Jun	**7 Jul** **Philippines** CPI (9:00am) Jun **Taiwan** CPI (4:00pm) Jun **China** Foreign Exchange Reserves Jun	**8 Jul** **South Korea** Current account balance (8:00am) Jun **New Zealand** RBNZ official rate announcement	**9 Jul** **China** PPI (9:30am) Jun CPI (9:30am) Jun **Malaysia** BNM monetary policy meeting **Taiwan** Trade balance (4:00pm) Jun	**10 Jul**
During the week: China Money supply/TSF Jun (9-15 Jul) Singapore GDP flash 2Q (10-14 Jul)				

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