AEJ Week Ahead: China trade/inflation/credit data

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Scheduled key data releases for the coming week in Asia ex-Japan include Mainland China trade, inflation and credit data; Taiwan trade and CPI, and Thailand CPI. Below we summarize our forecasts and expectations for these releases.

Mainland China

- **China August trade (Sep 8):** We expect China's trade growth to pick up modestly in year-over-year terms in August. On exports, high-frequency indicators such as shipping volumes point to a mild recovery, while Korea's reported imports from China remained solid. On imports, the ongoing AI capex boom should continue to support tech-related nominal imports, consistent with strong Korean exports to China in August. Taken together, we forecast export growth to rise to 26.0% yoy from 23.9% in July, and import growth to increase to 32.6% yoy from 27.5%. In seasonally adjusted sequential non-annualized terms, we expect exports to increase by 1.1% in August (vs. flat in July) and imports to rise by 2.0% (vs. -2.2% in July). The implied August trade surplus would be US$112.7bn.
- **China August inflation (Sep 9):** We expect headline CPI to rise to 0.7% yoy (around 0% mom annualized) in August, vs. 0.5% yoy (-4.3% mom annualized) in July. Our tracking of high-frequency food prices suggests slightly higher food price inflation in year-over-year terms, mainly due to higher pork and fresh vegetable prices. Nonfood CPI inflation is also likely to edge up in year-over-year terms, as suggested by higher energy prices. We expect PPI inflation to stay roughly unchanged at 3.5% yoy in August. Our forecast implies a sequential decline in PPI index on the back of continued transmission of weaker oil prices in June and July, with month-over-month annualized PPI inflation of -0.9% vs -5.5% in July.
- **China August money and credit data (Sep 9-15):** We expect RMB loans to rise by RMB300bn in August, RMB290bn less than the new loan extension a year ago. Our forecast implies 5.0% yoy growth of outstanding RMB loans (4.3% mom annualized) vs. 5.1% yoy in July (4.4% mom annualized). Discount rates for commercial bills stayed low, suggesting weak corporate loan demand. We expect TSF stock growth to stay roughly unchanged at 7.4% in August. The new TSF flows are likely to be RMB2000bn, RMB566bn less than in August last year. This is mostly from lower loan extension and government bond issuance in August compared with a year ago. We expect M2 growth to slow to 7.5% in August, partly reflecting a higher base.

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

Taiwan

- **Taiwan August CPI inflation (Sep 8):** We expect Taiwan's headline CPI inflation to moderate to 2.2% yoy in August (vs. Bloomberg consensus not available at the time of writing), down from 2.5% the prior month. Sequentially, we expect a further moderation to 0.0% mom sa from 0.2% the prior month on a drop in seasonally adjusted fresh food prices and further modest declines in gasoline prices.
- **Taiwan August exports (Sep 9):** We expect Taiwan's exports to rise 2.7% mom sa, extending a 4-month streak of increase, given strong exports orders and PMIs in recent months. In year-on-year terms, we expect growth to pick up to 36.0% (vs. Bloomberg consensus not available at the time of writing) from 32.9% the prior month.

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- **Thailand August CPI (Sep 7):** We expect Thailand's CPI to rise by 2.2% yoy in August, up from 2% yoy in July. On a sequential basis, we expect consumer prices to rise by 0.3% mom (NSA). The increase is attributed to renewed increases in retail pump prices and also higher food and beverages prices.

Key data/events to watch outside the region include: US CPI and ECB meeting.

Roundup of last week's economic and policy events

Mainland China

- The NBS manufacturing PMI rose to 49.8 in August from 49.2 in July. Among major sub-indexes, the new orders sub-index increased the most, followed by the output sub-index. The NBS non-manufacturing PMI was broadly unchanged at 49.0 in August, with a slight decline in the construction PMI and flat services PMI. Overall, the August NBS PMIs suggest activity remained subdued across manufacturing, services, and construction sectors.
- The headline RatingDog China manufacturing PMI rose to 51.5 in August from 50.9 in July. Among the major sub-indexes, the output sub-index increased the most, followed by the new order sub-index. Both the NBS manufacturing PMI and the RatingDog manufacturing PMI rose in August, suggesting firmer growth in manufacturing activity.
- The headline RatingDog China Services PMI, formerly the Caixin Services PMI, increased to 51.4 in August from 50.4 in July, indicating that service sector activity expanded at a faster pace.

Hong Kong

- On a month-over-month basis (seasonally adjusted non-annualized), Hong Kong retail sales value remained largely flat in July, while volume ticked up by 0.1%. Sales value growth remained divergent across categories. Across major categories, sales in other consumer goods increased the most, while sales in fuels fell the most. On a year-over-year basis, sales value rose by 4.5% yoy in July, vs. +4.6% yoy in June.
- The S&P Global Hong Kong PMI (which covers the manufacturing, construction, wholesale, retail and services sectors) fell from 51.0 in July to 49.5 in August. Among the major components of the PMI, the largest decline in August came from the new order sub-index. External demand continued to soften in August. Inflation pressure on downstream sectors rose in August.

South Korea

- Headline IP gained marginally by 0.2% mom sa in July, after a strong 6.7% increase the prior month. The figure was slightly stronger than our forecast and consensus expectation. Tech production accelerated to 3.8% mom sa and contributed +0.9pp to headline momentum, but the gains were partly offset by weakness in non-tech sectors, including autos. Services output fell 1.3%, recording the sharpest contraction since early 2022, and retail sales dropped 2.4%. Indicators of investment were mixed. Overall output stayed almost flat after rising 2.4% the prior month.
- Korea's headline exports increased 2.8% mom sa in August, rebounding from -2.5% the prior month. The outcome was stronger than our above-consensus forecast. Tech exports accelerated to 6.5%, helped by sustained strength in semiconductor exports and a rebound in other tech exports, whereas non-tech exports fell 1.5%.

Exports to China and the US gained the most and accounted for the entire headline sequential increase. Imports fell 3.6% mom sa, contracting at a more rapid pace than the -1.8% in the prior month, and the trade surplus (not seasonally adjusted) widened to US$34.7bn, up from US$30.4bn the prior month and nearing the historical high in June.

- The Ministry of Planning and Budget's 2027 budget plan envisages a significant reduction in the consolidated budget balance to a meaningful surplus of KRW59.9trn, or 1.9% of GDP, up from a deficit of 1.9% in 2026. The managed fiscal deficit (excluding social security fund surpluses from the consolidated balance) is projected to narrow from 3.8% of GDP in 2026 to 0.1% in 2027. Net issuance of KTB is to decline moderately by KRW13.1trn in 2027 as excess revenues are to be transferred to a newly created Future Response Fund (FRF) as part of the consolidated budget. The FSF includes KRW45.4trn earmarked for spending in 2027, and KRW104.4trn (or 3.3% of GDP) reserved for future use, likely beyond 2027. Medium term projections entail subsequent widening of managed fiscal deficits over the coming years, but the government aims to keep the deficits within 3% of GDP, well below prior year's projection of around 4%.
- South Korea's headline CPI inflation rose to 3.1% yoy in August, up from 2.8% the prior month, mostly on low base from 2025. The outcome was below consensus forecast as well as our above-consensus forecast. Sequential momentum stayed muted at +0.1% mom sa, rebounding slightly from -0.1% the prior month. Prices of goods fell for the second month, by 0.3% on accelerated declines in prices of agricultural goods, whereas costs of services rose at a stable momentum of 0.2%. Core CPI (excluding food and energy) rose to 3.4% yoy from 2.6% the previous month, mostly due to the base effects, but the sequential momentum moderated to 0.2% mom sa from 0.3% the prior month.

India

- India's real GDP growth surprised to the upside at 7.8% yoy in Q2 CY26, led by investment growth at a four-year high and a large net-export boost. On the production side, manufacturing growth accelerated to a three-quarter high of 9.2% yoy, while services growth remained strong despite moderation in trade, hotels and transport. The statistical office also revised the new GDP series from Q1 FY23 (Q2 CY22) to Q4 FY26 (Q1 CY26), with a large upward revision to Q1 CY26 real GDP growth. Going forward, given the stronger-than-expected investment growth in Q2, we bake in some sequential moderation over the next two quarters, as central government capex growth is likely to decline after front-loading in the first four months of the fiscal year. Taken together with the upward revision to Q1 CY26 real GDP growth and the stronger-than-expected Q2 print, we have raised our CY26 real GDP growth forecast by 0.3pp to 7.6% yoy.
- India's July fiscal deficit came in at 0.3% of GDP (GSe), taking the April–July FY27 deficit to 3.5% of GDP (GSe) vs. the budget estimate (BE) of 4.3% of GDP. Receipts surged year over year led by income-tax collections, which rose 28% mom s.a. and 94% yoy from a low base while corporate-tax receipts normalized sequentially after June's advance-tax inflows. Capex remained robust in July and is up ~30% yoy FYTD

— the strongest front-loading of public capex in several years. Sustained strength in income- and corporate-tax receipts could partly offset the shortfall in excise-duty collections following the cuts in petrol and diesel excise duties in response to the Middle East crisis.

- The seasonally adjusted HSBC India manufacturing purchasing managers' index (PMI) declined to a five-year low, but remained in expansion at 52.8 in August (vs. 53.5 in July). The moderation reflected a contraction in employment alongside slower growth in output and new orders. Demand softened across two of the three industrial groups, while consumer goods remained relatively resilient. The new export orders index remained in expansion, with firms reporting gains from several markets, but the pace of expansion moderated from July. Among the price-related sub-indices, the input-cost index eased to a six-month low, while the output price index eased to a near four-year low as firms limited price pass-throughs.
- The seasonally adjusted HSBC India services PMI increased to 54.1 in August from 53.3 in July driven by an increase in the employment (15-month high) and the new business indices. New export orders declined to a four-month low but remained in expansion as firms reported gains in business from Australia, Brazil, Canada, Japan and the UAE. Among the price-related sub-indices, the output price index rose to a five-month high in August as firms passed on higher operating costs to clients.

ASEAN

- Indonesia's CPI inflation rose to 3.2% yoy in August, up from 2.9% yoy in July. Sequential momentum picked up, with consumer prices rising 0.3% mom (NSA) in August, compared with -0.1% mom (NSA) in July, driven primarily by higher food and beverage prices. Core CPI inflation increased 2.9% yoy in August, rising from 2.8% yoy in July.
- Bank Negara Malaysia kept the Overnight Policy Rate (OPR) unchanged at 2.75%, in line with expectations. The September statement was slightly more hawkish, with stronger growth and reduced external risks lowering the need for policy support. However, we think contained price pass-through and limited wage pressures would allow BNM to remain patient. We expect the OPR to remain unchanged through 2026 but see a rising risk of a 25bp rate hike in H1 2027.
- Vietnam's activity indicators broadly sustained their moderate increases in August. Headline IP gained 0.5% mom sa, slowing after three months of robust gains. Retail sales increased 0.8%, with the pace of increase almost unchanged from last month. Exports also grew 0.4%, mostly on gains in tech and machinery. Headline CPI inflation picked up to 4.9% yoy after two months of deceleration due to higher oil prices, while core inflation was unchanged at 4.6%.
- Philippines' headline inflation moderated slightly to 6.1% yoy in August from 6.2% yoy in July, but underlying price pressures remained firm, with sequential headline and core inflation both accelerating. Food and higher transport costs were the main contributors to the monthly rise in prices. With retail fuel prices likely to increase again in September amid renewed Middle East tensions, near-term inflation risks remain tilted to the upside.

Asia ex-Japan Economics Calendar

Asia ex-Japan Economics Calendar

Date Time (HKT)	Region	Indicator/Event	Period	GS Forecast	Bloomberg Consensus	Previous
Mon Sep 7						
#	Philippines	Gross International Reserves	Aug			USD 103.4mn
#	China	Foreign Reserves	Aug		USD 3430bn	USD 3418.8bn
11:00	Indonesia	Foreign Reserves	Aug			USD 145.3bn
11:30	**Thailand**	**CPI**	Aug	2.2% yoy	2.3% yoy	2% yoy
13:00	Singapore	Retail Sales	Jul			4% yoy
15:00	Malaysia	Foreign Reserves	Aug 28			USD 132.7bn
16:30	Hong Kong	Foreign Reserves	Aug			USD 447.8bn
17:00	*Eurozone*	*Real GDP*	2Q F		1% yoy SWDA	1% yoy SWDA
Tue Sep 8						
#	**China**	**Exports**	Aug	26.0% yoy	27.6% yoy	23.9% yoy
#	**China**	**Imports**	Aug	32.6% yoy	31.2% yoy	27.5% yoy
#	Philippines	Money Supply (M3)	Jul			10.6% yoy
#	**China**	**Trade Balance**	Aug	USD 112.7bn	USD 123.3bn	USD 112.5bn
7:00	South Korea	Real GDP	2Q P		3.7% yoy	3.7% yoy
7:50	*Japan*	*Real GDP*	2Q F		1.8% qoq SAAR	1.1% qoq SAAR
8:30	*Australia*	*Consumer Confidence Index*	Sep			88.9
9:00	Philippines	Unemployment Rate	Jul			4.9%
9:30	*Australia*	*Business confidence Index*	Aug			-6
16:00	**Taiwan**	**CPI**	Aug	2.2% yoy	2.3% yoy	2.5% yoy
Wed Sep 9						
*	**China**	**Total Social Financing**	Aug YTD	CNY 24250bn		CNY 22250bn
*	**China**	**Money Supply (M2)**	Aug	7.5% yoy		7.7% yoy
*	**China**	**New RMB Loans**	Aug YTD	CNY 10680bn		CNY 10380bn
7:00	South Korea	Unemployment Rate	Aug			2.8% sa.
9:30	**China**	**CPI**	Aug	0.7% yoy	0.9% yoy	0.5% yoy
9:30	**China**	**PPI**	Aug	3.5% yoy	3.7% yoy	3.5% yoy
12:00	Malaysia	Industrial/Manufacturing Sales	Jul			9.8% yoy
12:00	Malaysia	Industrial Production	Jul			6.5% yoy
16:00	Taiwan	Trade Balance	Aug			USD 17.2bn
16:00	**Taiwan**	**Exports**	Aug	36.0% yoy	31% yoy	32.9% yoy
16:00	Taiwan	Imports	Aug			37.4% yoy
Thu Sep 10						
20:15	*Eurozone*	*ECB meeting*	Sep 10		2.65%	2.4%
Fri Sep 11						
6:30	*New Zealand*	*Business NZ Manufacturing PMI*	Aug			54.3
20:30	*United States*	*CPI*	Aug		3.4% yoy	3.4% yoy

* Release date uncertain, date shown is the first possible date of release

Release time uncertain

Italics indicate important events outside the Asia ex-Japan region

Source: Bloomberg, Goldman Sachs Global Investment Research

Please see Asia Economics Analyst 15/17: "The sensitivity of Asian financial markets to economic data" and Asia Economics Analyst: "How global macro data affect AEJ financial markets" for an analysis of the market impact of regional economic data using high-frequency (intraday) data across ten emerging Asia economies. We find markets have consistent short-term reactions to some of the highest-profile economic indicators, particularly industrial production, GDP, trade data, and inflation.

