

# Forecasts, data preview, central bank watch

22 May 2026

## KEY DATA RELEASES AND EVENTS NEXT WEEK

- April trade and production data are likely to remain firm across the region
- Singapore inflation is expected to begin edging higher
- The Bank of Korea may signal a tightening bias



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**The Week Ahead covers the key data releases and central bank events of the coming week, collating our macro forecasts.**

## KEY FORECAST FOR THE COMING WEEK

Event	DBS	Previous
<b>May 25 (Mon)</b>		
Singapore: GDP (1Q, F)	5.4% y/y	4.6% y/y
Singapore: CPI (Apr)	2.0% y/y	1.8% y/y
<b>May 26 (Tue)</b>		
Singapore: industrial production (Apr)	19.4% y/y	10.1% y/y
Taiwan: industrial production (Apr)	15.7% y/y	28.7% y/y
<b>May 28 (Thu)</b>		
BOK base rate	2.50%	2.50%
Hong Kong: exports (Apr)	31.3% y/y	35.8% y/y
- imports	34.4% y/y	41.2% y/y
- trade balance	-HKD35.3bn	-HKD89.1bn
<b>May 29 (Fri)</b>		
South Korea: industrial production (Apr)	2.4% y/y	3.6% y/y
Japan: industrial production (Apr)	1.9% y/y	2.4% y/y
Philippines: exports (Apr)	23.8% y/y	20.4% y/y
- imports	20.8% y/y	12.3% y/y
- trade balance	-USD4.6bn	-USD4.5bn

## CENTRAL BANK MEETINGS

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### Bank of Korea (28 May)

The Bank of Korea is expected to keep the base rate unchanged at 2.50%, while signalling a tightening bias. In its quarterly economic outlook, the BOK is likely to revise up this year's GDP growth forecast to above 2.5%, from the current 2.0%, and raise its CPI inflation forecast to above 2.5% from 2.2%. The revisions would reflect stronger-than-expected 1Q GDP growth (3.6% YoY), continued strength in April exports, and the notable increase in April CPI inflation (2.6%).

In the dot plot, the concentration of BOK board members' interest rate projections is expected to shift toward a rate hike over the next six months. With core CPI remaining stable at 2.2% YoY for now, the BOK is unlikely to rush into a rate hike at this meeting. However, it will likely signal readiness to tighten, as inflation expectations have begun to rise, the pass-through effects of higher energy prices on core CPI may emerge in 2H, and second-round inflation risks could materialize.

At the press conference — the first under new BOK Governor Shin — hawkish signals on interest rates are also expected. Given the recent strong rally in the KOSPI, which has fuelled overheating concerns, alongside persistent KRW weakness, the governor's comments on the stock market and FX conditions will also be closely watched.

## FORTHCOMING DATA RELEASES

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### Singapore

We expect Singapore's real GDP growth for 1Q26 to be revised higher to 5.4% yoy and 0.4% qoq sa, from the advance estimates of 4.6% yoy and -0.3% qoq sa. Notably, manufacturing

growth turned out to be stronger than expected at 7.9% yoy, compared with advance estimates of 5.0% yoy, supported by strength in electronics production. The data should also confirm solid construction momentum and robust services expansion, with the possibility of an upward revision given strong spillovers to trade-related services from the global artificial intelligence boom. While the economy is expected to slow over the course of this year due to disruptions in the Strait of Hormuz stemming from the Middle East conflict, growth started the year on a strong footing, and trade appears resilient at the start of 2Q26. We think it is more probable that the Ministry of Trade and Industry maintains its 2026 growth forecast at 2.0-4.0% in its May update, while highlighting downside risks and significant uncertainties surrounding the duration and severity of the Iran war.

Inflation data for April 2026 likely reflected the continuing impact of the energy shock stemming from the Middle East war, as we project an increase in headline inflation to 2.0% yoy, up from 1.8% yoy in March 2026. Private transport inflation likely rose further amid elevated fuel prices and a faster increase in car prices alongside low base effects, while accommodation price increases remained subdued. Core inflation likely edged up modestly to 1.8% yoy, as the impact of the recent pickup in imported costs fed through but was mitigated by higher base effects. Electricity tariffs were adjusted upward in April; price pressures in electricity & gas likely remained contained, as they only partially reflected the rise in fuel prices.

We expect solid headline industrial production (IP) growth of 19.4% yoy in April 2026, extending the strong rebound from 10.1% yoy in March. The robust expansion continued to be driven by strong momentum in the electronics cluster, which has been benefitting from sustained global artificial intelligence-related tailwinds. This was also reflected in soaring electronics domestic export growth of

66.7% yoy in April. Biomedical manufacturing activity may have rebounded in line with pharmaceutical exports. Nonetheless, performance across manufacturing clusters likely remained uneven. The chemicals and general manufacturing clusters were likely negatively affected by energy supply disruptions and rising costs linked to the ongoing Middle East conflict.

## **Taiwan**

The final estimate of 1Q GDP and April industrial production will be released next week. The GDP estimate is likely to reaffirm that the economy expanded 13% YoY in 1Q, marking the strongest quarterly growth since 1987. The Directorate-General of Budget, Accounting and Statistics (DGBAS) is likely to revise up its full-year GDP growth forecast to above 8%, from the current 7.7%.

Taking into account the energy price shock and overheating risks associated with the AI sector, the DGBAS is likely to project a slower growth trajectory from 2Q onward. April data is expected to support this moderation trend. Earlier releases showed export growth slowing to 39.0% YoY in April from 61.8% in March, while export orders eased to 48.1% from 65.9%. April industrial production growth is also expected to moderate slightly from March's 28.7% YoY pace.

## GROWTH, INFLATION, POLICY RATES &amp; FX FORECASTS

	GDP GROWTH, % YOY				CPI INFLATION, % YOY			
	2024	2025	2026f	2027f	2024	2025	2026f	2027f
CHINA	5.0	5.0	4.5	4.0	0.2	0.0	0.5	0.8
HONG KONG	2.5	3.5	3.0	2.8	1.5	1.4	1.6	1.5
INDIA	6.7	7.8	6.5	6.4	4.9	2.2	4.5	4.2
INDIA (FISCAL YEAR) *	6.5	7.7	6.5	6.4	4.6	2.1	4.9	4.0
INDONESIA	5.0	5.1	5.1	5.1	2.3	1.9	3.2	2.2
MALAYSIA	5.1	5.2	4.7	4.2	1.8	1.4	2.0	2.0
PHILIPPINES**	5.6	4.5	4.7	5.0	3.2	1.7	6.5	4.0
SINGAPORE	5.3	5.0	2.8	2.3	2.4	0.9	2.2	2.0
SOUTH KOREA	2.0	1.0	2.6	2.0	2.3	2.1	2.6	2.1
TAIWAN	5.3	8.7	9.4	3.5	2.2	1.7	1.9	1.8
THAILAND	2.9	2.4	1.6	2.0	0.4	-0.1	2.5	1.5
VIETNAM	7.0	8.0	6.5	6.5	3.6	3.3	4.8	3.3
EUROZONE	0.7	1.5	1.4	1.2	2.3	2.2	2.0	2.0
JAPAN	-0.2	1.2	0.5	0.5	2.7	3.2	1.8	1.8
UNITED STATES***	2.8	2.0	1.5	1.7	3.0	2.7	2.5	2.5

\* 2020 = Fiscal year Apr20-Mar21 \*\* new CPI series \*\*\* eop for CPI inflation

## POLICY INTEREST RATES, EOP

	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
CHINA*	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
INDIA	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
INDONESIA	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75
MALAYSIA	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
PHILIPPINES	4.25	4.75	5.25	5.25	5.25	5.25	5.25	5.25
SINGAPORE**	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
SOUTH KOREA	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75
TAIWAN	2.00	2.00	2.13	2.13	2.13	2.13	2.13	2.13
THAILAND	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
VIETNAM***	4.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
EUROZONE^	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
JAPAN	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
UNITED STATES	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

\* 1-yr Loan Prime Rate; \*\* 3M SORA OIS; \*\*\* refinancing rate; ^ deposit facility rate

## EXCHANGE RATES, EOP

	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
USD/CNY	6.90	6.83	6.77	6.70	6.74	6.78	6.81	6.85
USD/HKD	7.82	7.82	7.81	7.81	7.81	7.81	7.80	7.80
USD/INR	93.9	93.1	92.2	91.4	92.0	92.7	93.3	94.0
USD/IDR	16900	16770	16635	16500	16500	16500	16500	16500
USD/MYR	3.96	3.91	3.85	3.80	3.85	3.90	3.95	4.00
USD/PHP	60.1	59.3	58.5	57.8	58.3	58.8	59.3	59.9
USD/SGD	1.28	1.27	1.26	1.25	1.26	1.27	1.27	1.28
USD/KRW	1500	1470	1435	1400	1415	1425	1440	1450
USD/THB	32.7	32.1	31.6	31.0	31.4	31.8	32.1	32.5
USD/VND	26340	26230	26110	26000	26130	26250	26380	26500
AUD/USD	0.70	0.71	0.72	0.73	0.73	0.72	0.72	0.71
EUR/USD	1.16	1.18	1.19	1.21	1.20	1.19	1.18	1.17
USD/JPY	159	156	153	149	151	152	153	154
GBP/USD	1.34	1.36	1.39	1.41	1.40	1.39	1.38	1.37

**INTEREST RATE FORECASTS**

		2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
US	3M SOFR OIS	3.68	3.65	3.65	3.65	3.65	3.65	3.65	3.65
	2Y	3.79	3.80	3.85	3.85	3.90	3.95	3.95	3.95
	10Y	4.32	4.30	4.40	4.50	4.55	4.60	4.65	4.65
	10Y-2Y	52	50	55	65	65	65	70	70
Japan	3M TIBOR	1.27	1.05	1.15	1.15	1.15	1.15	1.15	1.15
	2Y	1.35	1.20	1.25	1.30	1.35	1.40	1.45	1.50
	10Y	2.35	2.30	2.40	2.50	2.60	2.70	2.75	2.75
	10Y-2Y	100	110	115	120	125	130	130	125
Eurozone	3M EURIBOR	2.08	2.20	2.20	2.20	2.20	2.20	2.20	2.20
	2Y	2.62	2.10	2.20	2.25	2.30	2.35	2.40	2.45
	10Y	3.00	3.00	3.10	3.20	3.25	3.30	3.30	3.30
	10Y-2Y	39	90	90	95	95	95	90	85
Indonesia	IDR 3M OIS	4.12	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	2Y	6.31	6.20	6.10	6.00	6.00	6.10	6.20	6.20
	10Y	6.86	6.65	6.55	6.45	6.45	6.55	6.65	6.65
	10Y-2Y	55	45	45	45	45	45	45	45
Malaysia	3M KLIBOR	3.37	3.25	3.25	3.25	3.25	3.25	3.25	3.25
	3Y	3.26	3.05	3.05	3.05	3.05	3.05	3.05	3.05
	10Y	3.63	3.60	3.65	3.65	3.65	3.65	3.70	3.70
	10Y-3Y	37	55	60	60	60	60	65	65
Philippines	3M NDF implied yield	6.09	4.25	4.25	4.25	4.25	4.25	4.25	4.25
	2Y	6.03	4.50	4.50	4.50	4.50	4.50	4.75	5.00
	10Y	6.93	5.75	5.75	5.80	5.80	5.80	5.90	6.00
	10Y-2Y	90	125	125	130	130	130	115	100
Singapore	3M SORA OIS	1.16	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	2Y	1.61	1.50	1.55	1.60	1.62	1.65	1.67	1.70
	10Y	2.29	2.10	2.20	2.20	2.25	2.25	2.30	2.30
	10Y-2Y	68	60	65	60	63	60	63	60
Thailand	3M BIBOR	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
	2Y	1.41	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	10Y	2.23	1.70	1.70	1.70	1.70	1.70	1.70	1.70
	10Y-2Y	82	70	70	70	70	70	70	70
China	1Y LPR	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	2Y	1.37	1.25	1.25	1.25	1.25	1.25	1.25	1.25
	10Y	1.86	1.75	1.75	1.80	1.80	1.85	1.85	1.85
	10Y-2Y	48	50	50	55	55	60	60	60
Hong Kong, SAR	3M HIBOR	2.36	2.75	2.75	2.75	2.75	2.75	2.75	2.75
	2Y*	2.82	2.80	2.85	2.85	2.90	2.95	2.95	2.95
	10Y*	3.08	3.30	3.40	3.50	3.55	3.60	3.65	3.65
	10Y-2Y	26	50	55	65	65	65	70	70
Korea	3M CD	2.82	2.82	3.00	3.00	3.00	3.00	3.00	3.00
	3Y	3.56	3.55	3.75	3.75	3.75	3.75	3.75	3.75
	10Y	3.88	3.85	4.15	4.15	4.15	4.15	4.15	4.15
	10Y-3Y	32	30	40	40	40	40	40	40
India	3M MIBOR	7.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75
	2Y	6.37	5.70	5.65	5.65	5.65	5.65	5.65	5.65
	10Y	7.04	6.60	6.50	6.50	6.45	6.45	6.45	6.45
	10Y-2Y	67	90	85	85	80	80	80	80

%, eop, govt bond yield for 2Y and 10Y, spread bps

Sources: Data for all charts and tables are from CEIC, Bloomberg and DBS Group Research (forecasts and transformations)

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