

Forecasts, data preview, central bank watch

29 May 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- India's RBI to hold repurchase rate steady at 5.25%.
- Inflation to rise across Asia countries and Eurozone.
- Vietnam exports to grow 20.0% yoy driven by external electronic demand.



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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
Jun 2 (Tue)		
Hong Kong: retail sales (Apr)	7.2% y/y	12.8% y/y
Indonesia: CPI (May)	2.8% y/y	2.4% y/y
- exports	-1% y/y	-3.1% y/y
- imports	-6.3% y/y	1.5% y/y
- trade balance	USD1.3bn	USD3.32bn
South Korea: CPI (May)	3.0% y/y	2.6% y/y
Eurozone: CPI (May)	3.2% y/y	3.0% y/y
Jun 3 (Wed)		
Vietnam: exports (May)	20.0% y/y	21.0% y/y
- imports	35.0% y/y	32.5% y/y
- trade balance	-USD4.9bn	-USD3.3bn
- retail sales YoY YTD (May)	11.0% y/y	11.1% y/y
- CPI (May)	5.8% y/y	5.5% y/y
Jun 5 (Fri)		
India: RBI repurchase rate	5.25%	5.25%
Taiwan: CPI (May)	2.3% y/y	1.7% y/y
Thailand: CPI (May)	3.3% y/y	2.9% y/y
Philippines: CPI (May)	8.3% y/y	7.2% y/y

CENTRAL BANK MEETINGS

Reserve Bank of India (5-Jun)

India's policy rates are at an inflection point. While the case for a tighter monetary policy is strengthening, the timing of the move is a matter of debate. Since the April rate review, elevated oil prices have triggered a further correction in INR asset markets, with the rupee depreciating by around 3.2% since April, and a cumulative -6% yet far in CY26. Compared to the revised macro assumption of INR 94/USD in the April's Monetary Policy Report, the currency neared a record low of 97/USD earlier this month before recovering ground on a pullback in oil prices amid ceasefire hopes and speculation about potential fresh measures to support the rupee.

At the upcoming rate review, markets will weigh whether the RBI MPC (monetary policy committee) is inclined to use policy rates to defend the currency. In our view, the MPC is likely to prioritise the key mandate i.e. inflation to decide on the path ahead, while relying on other instruments to stabilise the currency and bond markets. Headline CPI inflation is tracking the midpoint of the 2-6% target range in May, after a below consensus print in April. Fuel prices have been raised, but the cumulative increase of around 7% is measured. In the absence of significant spillovers into core inflation as yet and with inflation expectations still broadly anchored, **the central bank might reason that the second round effects are not evident at this juncture**, backing a wait-and-watch approach.

We expect the guidance to be cautious, with a pause on rates at the forthcoming meeting.

The case to hike rates has, nonetheless, strengthened, with a higher likelihood of a shift in 2HCY26. As global rates rise, a rate hike will be needed to attract rate sensitive flows if the conflict continues. Add to this, the inflation rationale will also gain momentum amid successive pump price increases (more expected), a pickup in food, impact of prevailing heatwave conditions and rising business inflation expectations, all of which point to mounting underlying price pressures. If CPI inflation overshoots 5% yoy in FY27 (DBSf: 4.9%), the current repo rate at 5.25% is low, suggesting a 75-100bp rate increase in 2HCY26 is warranted. We will wait to hear from the RBI MPC before revising our forecast for rest of FY27.

FORTHCOMING DATA RELEASES

South Korea

May CPI inflation is expected to edge higher to the 3.0% YoY mark, reflecting higher transportation costs amid elevated international oil prices and a weaker KRW. Core CPI inflation is also expected to rise to 2.4%, reflecting price passthrough by producers and service providers amid increased inflation expectations.

At its May 28 policy meeting, the Bank of Korea signaled a tightening bias, with the dot plot showing the base rate concentrated in the 2.75%–3.00% range over the next six months. We maintain our forecast for the BOK to raise the base rate

from 2.50% to 2.75% in 3Q, possibly as early as the July meeting.

Taiwan

May inflation data is likely to show headline CPI rising above the 2% YoY threshold to around 2.3%, with core CPI also edging above 2% to approximately 2.1%. Despite government subsidies for fuel and electricity, transportation costs have risen notably since April, driven in part by higher fares. Producer prices have also increased sharply, reflecting surging global energy and industrial material costs, which could gradually pass through to a broader range of domestic goods and services.

The central bank's March policy meeting minutes indicate a tightening bias, with several board members closely monitoring inflation expectations and potential second-round effects. We expect the central bank to deliver a modest 12.5bps policy rate hike to 2.125% in 3Q (September).

Indonesia and Philippines

We had discussed the differing inflation outcomes amongst countries in the region in [ASEAN-6 markets: Asymmetric inflation impact](#). This is likely to be reflected in Indonesia and Philippines inflation reports this week. We expect Indonesia's inflation tick up to 2.9% in April from 2.4% month before, while Philippines' might be much higher at 8.3% yoy vs 7.2% in March. Outcomes are partly policy-filtered, with differences in retail price inflation reflecting varying levels of subsidy support and pass-through mechanisms. Weather-related impact on food crops will also have varying effects on food inflation. Nonetheless, besides inflation, financial market volatility

has also influenced the direction of central bank policy. We expect the BSP and BI to tighten domestic rates further this year.

Thailand

We expect Thailand's headline inflation to rise to 3.3% yoy in May 2026, exceeding the central bank's 1-3% target, and increasing from 2.9% yoy in April. Elevated domestic energy price increases remained the primary driver, in line with higher global fuel costs, amid ongoing disruptions in the Strait of Hormuz. There was likely also some cost passthrough to consumer prices as a result of higher transport and other input costs. Rising inflationary pressures have likely closed the room for further policy rate cuts. However, we think that the Bank of Thailand is also unlikely to rush into tightening monetary policy, as the inflation shock is largely supply-side driven, and occurring alongside downward growth pressures stemming from the Middle East-driven energy shock.

Vietnam

Vietnam's economic data for May 2026 likely reflected strong export growth alongside a further rise in already elevated inflation. We expect continued goods export expansion of 20.0% yoy in May, marking the third consecutive month of double-digit increase, driven by still-supportive external demand for electronics. However, there were signs of mounting upward cost pressures for export-oriented manufacturers, driven by higher prices for fuel, transport, and raw material inputs, amid ongoing disruptions in the Middle East. We expect headline inflation to rise further to 5.8% yoy in May, up from an already high 5.5% in April. Transport

inflation likely edged higher, as domestic fuel prices continued to adjust upward amid elevated global prices and a weak currency. There could also have been some cost passthrough by producers to other consumer prices.

Hong Kong

Retail sales are expected to slow from 12.8% yoy in March to 7.2% in April. Higher energy prices have weighed on inbound tourism, with daily average mainland visitor arrivals decelerating from 15.9% yoy in March to 10.5% in April. Meanwhile, outbound tourism reached another monthly record high of 376k departures per day during the Easter holiday. The diffusion index also points to a similar trend. Although the real estate sub-index improved, the retail and restaurant sub-indices declined further over the period, indicating a moderation in consumer sentiment.

GROWTH, INFLATION, POLICY RATES & 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	1.0	1.2	2.3	2.2	2.7	2.1
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	6.89	6.83	6.77	6.70	6.74	6.78	6.81	6.85
USD/HKD	7.84	7.82	7.81	7.81	7.81	7.81	7.80	7.80
USD/INR	94.8	96.7	97.1	97.4	97.8	98.2	98.6	98.9
USD/IDR	17041	16770	16635	16500	16500	16500	16500	16500
USD/MYR	4.05	3.91	3.85	3.80	3.85	3.90	3.95	4.00
USD/PHP	60.7	59.3	58.5	57.8	58.3	58.8	59.3	59.9
USD/SGD	1.29	1.27	1.26	1.25	1.26	1.27	1.27	1.28
USD/KRW	1516	1470	1435	1400	1415	1425	1440	1450
USD/THB	32.6	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	0.69	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	1.32	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	5.15	5.40	5.65	5.65	5.65	5.65	5.65
	2Y	6.31	6.50	6.60	6.60	6.60	6.55	6.55	6.50
	10Y	6.86	6.75	6.80	6.75	6.75	6.75	6.75	6.75
	10Y-2Y	55	25	20	15	15	20	20	25
Malaysia	3M KLIBOR	3.37	3.35	3.35	3.35	3.35	3.35	3.35	3.35
	3Y	3.26	3.25	3.25	3.25	3.25	3.25	3.25	3.25
	10Y	3.63	3.60	3.65	3.65	3.65	3.65	3.70	3.70
	10Y-3Y	37	35	40	40	40	40	45	45
Philippines	3M NDF implied yield	6.09	5.05	5.55	6.05	6.05	6.05	6.05	6.05
	2Y	5.42	6.00	6.10	6.20	6.25	6.30	6.35	6.35
	10Y	6.98	7.50	7.65	7.75	7.80	7.85	7.90	7.95
	10Y-2Y	156	150	155	155	155	155	155	160
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	1.30	1.35	1.35	1.45	1.50	1.50	1.50
	10Y	2.23	2.45	2.55	2.60	2.70	2.75	2.80	2.90
	10Y-2Y	82	115	120	125	125	125	130	140
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	3.75	3.75	3.75	3.75	3.75	3.75	3.75
	10Y	3.88	4.00	4.15	4.15	4.15	4.15	4.15	4.15
	10Y-3Y	32	25	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	6.25	6.30	6.30	6.35	6.35	6.35	6.35
	10Y	7.04	6.95	6.95	6.90	6.90	6.90	6.85	6.85
	10Y-2Y	67	70	65	60	55	55	50	50

%, 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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