

Forecasts, data preview, central bank watch

5 June 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- ECB to hike the policy rate by 25bps
- May trade data from China and Taiwan to show sustained strength in the electronics cycle
- India and US inflation data to show energy shock impact on broader prices



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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 FORECASTS FOR THE COMING WEEK

Event	DBS	Previous
Jun 9 (Tue)		
Taiwan: exports (May)	39.9% y/y	39.0% y/y
- imports	48.4% y/y	29.2% y/y
- trade balance	USD14.4bn	USD14.4bn
China: exports (May)	14.4% y/y	14.1% y/y
- imports	24.1% y/y	25.3% y/y
- trade balance	USD96.9bn	USD84.8bn
Jun 10 (Wed)		
China: CPI (May)	1.2% y/y	1.2% y/y
US: CPI (May)	4.10%	3.8% y/y
Jun 11 (Thu)		
Eurozone: ECB deposit facility rate	2.25%	2.00%
Jun 12 (Fri)		
Malaysia: industrial production (Mar)	8.0% y/y	3.1% y/y
India: CPI (Apr)	4.1% y/y	3.5% y/y

CENTRAL BANK MEETINGS

European Central Bank (11-Jun)

The ECB will closely monitor long-term inflation expectations, energy price rigidity, and financial market stability. May inflation quickened to 3.2% YoY from 3.0% the month before, past the official target and accompanied by an uptick in core readings. In recent comments, Governing Council member Pereira highlighted the need for pre-emptive action, while Chief Economist Lane cautioned over the risk of persistent inflationary impact from the war.

We expect a pre-emptive (insurance) hike of 25bps in the deposit rate to 2.25% on June 11, with policy guidance to stay cautious and hawkish. Notably, conditions differ from 2022, when markets believed the ECB had fallen behind the curve in tightening monetary policy. A hike in June this year will be timely to anchor inflation expectations. There is a likelihood of further increases in 2H, but the ECB will relay a meeting-to-meeting approach while monitoring the probability of an US-Iran ceasefire and a cessation of tensions.

FORTHCOMING DATA RELEASES

China

Export growth is expected to remain resilient at 14.4% yoy in May. China's container ship deadweight tonnage at 20 major ports increased from 4.3% yoy in April to 5.9% in May, indicating a modest improvement in trade activity, although elevated energy prices and ongoing geopolitical uncertainties continue to cloud

the outlook. Meanwhile, the Ratingdog Manufacturing PMI, which is more exporters-oriented, remained relatively strong at 51.8 in May, outperforming the NBS Manufacturing PMI of 50.0. This suggests that external demand and trading activity remained resilient despite broader manufacturing softness.

Import growth is expected to follow a similar trend, as manufacturers increased purchases of intermediate goods in response to stronger export orders. On consumer prices, CPI inflation is expected to ease to 1.2% yoy in May, reflecting softer commodity prices. The South China Composite Index, tracking commodity price, decelerated from 25.8% yoy in April to 22.5% in May. The PMI raw material purchasing price sub-index also fell from 63.7 to 60.5 in May. Consumer price pressures are expected to remain contained, supported by the pricing band mechanism that helps smooth retail price fluctuations in key commodity and energy markets.

Taiwan

May trade data will likely show that export growth remained strong at around 40% YoY, compared with 51.1% in 1Q and 39% in April. Demand for semiconductor and server exports continues to be robust, supported by the rising adoption of agentic AI and increased AI infrastructure capex by hyperscalers. With strong export growth offsetting higher import bills resulting from elevated oil and LNG prices, the trade surplus is likely to remain stable at around USD 14bn in May.

The AI-driven technology cycle remains in an expansionary phase, as reflected by the

continued expansion in the electronics PMI and an electronics inventory-to-shipment ratio that remains close to its long-term average. That said, export growth may have already peaked relative to the exceptionally strong performance recorded in 1Q. In addition, real export growth has lagged nominal export growth, as the latter has been boosted by higher semiconductor prices.

We maintain our full-year real GDP growth forecast of 9.4%, which implies that growth peaked in 1Q and will moderate gradually from 2Q through the second half of the year.

Malaysia

We expect Malaysia's industrial production (IP) growth to accelerate to 8.0% yoy in April 2026, from 3.1% yoy in March 2026, consistent with the strong pickup in domestic exports. The robust IP performance was likely driven by export-oriented manufacturing, with notable strength in electrical & electronics activity, supported by global artificial intelligence-related tailwinds.

India

Price pressures likely intensified in May, lifting headline inflation to 4.1% yoy in May from 3.5% month before. Contribution from the food segments is expected to be significant, driven primarily by perishables (including vegetables), edible oils, cereals, pulses, milk (price hike in May) and related categories, not helped by heatwave conditions in some parts of the country. Concurrently pump fuel prices were increased in a staggered fashion since mid-May by ~7%, besides higher CNG and commercial LPG (this month), imparting first and second derivative impact through the coming months. While price pressures warrant attention against the backdrop of the ongoing West Asia conflict, inflation is at the mid range of the 2-6% target, and thereby less of an immediate policy concern for the central bank policy committee. Downstream industries are likely to gradually pass on higher input costs to consumers over the coming quarter. Together with further fuel price adjustments, this could intensify emerging inflationary pressures and potentially pave the way for monetary tightening should geopolitical risks remain elevated.

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	8.8	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	3.1	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	2.25	2.50	2.50	2.50	2.50	2.50	2.50
JAPAN	0.75	1.00	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	17990	18060	18130	18200	18270	18340	18410
USD/MYR	4.05	3.91	3.85	3.80	3.85	3.90	3.95	4.00
USD/PHP	60.7	62.1	62.4	62.7	63.0	63.3	63.6	63.9
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	1.30	1.30	1.30	1.30	1.30	1.30	1.30
	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	2.45	2.70	2.70	2.70	2.70	2.70	2.70
	2Y	2.62	2.55	2.55	2.60	2.65	2.70	2.70	2.70
	10Y	3.00	3.00	3.10	3.20	3.25	3.30	3.30	3.30
	10Y-2Y	39	45	55	60	60	60	60	60
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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