

Forecasts, data preview, central bank watch

12 June 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- BOJ, BI and BSP to maintain a hawkish bias and hike rates.
- FOMC and CBC to hold steady.
- Strong exports in Malaysia and Singapore to reflect sustained global electronics 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 FORECASTS FOR THE COMING WEEK

Event	DBS	Previous
Jun 15 (Mon)		
India: exports (May)	7.0% y/y	13.8% y/y
- imports	15.5% y/y	10.0% y/y
- trade balance	-USD29.5bn	-USD28.4bn
Jun 16 (Tue)		
Japan: BOJ target rate	1.00%	0.75%
China: retail sales (May)	0.4% y/y	0.2% y/y
- industrial production	4.6% y/y	4.1% y/y
- Fixed assets investment	-2.0% y/y	-1.6% y/y
Jun 17 (Wed)		
Japan: exports (May)	17.4% y/y	14.8% y/y
- imports	11.4% y/y	9.7% y/y
- trade balance	-JPY252.3bn	JPY301.9bn
Singapore: non-oil domestic exports	30.0% y/y	24.5% y/y
Jun 18 (Thu)		
US: FOMC rate decision (upper bound)	3.75%	3.75%
Indonesia: BI rate	5.75%	5.50%
Taiwan: CBC benchmark interest rate	2.00%	2.00%
Philippines: BSP overnight borrowing rate	4.75%	4.50%
Jun 19 (Fri)		
Japan: CPI (May)	1.3% y/y	1.4% y/y
Malaysia: CPI (May)	2.0% y/y	1.9% y/y
Malaysia: exports (May)	40.0% y/y	36.9% y/y
- imports	25.0% y/y	20.0% y/y
- trade balance	MYR20.0bn	MYR28.6bn

CENTRAL BANK MEETINGS

Bank of Japan (16 Jun)

The Bank of Japan is widely expected to raise the overnight call rate by 25bps to 1.00% at its June 16 policy meeting. Governor Ueda has recently strengthened the case for further policy normalization, emphasizing that upside inflation risks are increasingly outweighing downside risks to economic growth. He has also highlighted the potential for second-round inflation effects and the risk of inflation overshooting. With inflation holding around 1.5%, we expect Governor Ueda to maintain a hawkish tone and signal additional rate hikes later this year, potentially lifting the policy rate to at least 1.25%.

The June meeting will also see the BOJ unveil its bond purchase plan for FY2027. Amid the recent rise in JGB yields—driven by firmer inflation expectations and concerns over fiscal sustainability—we expect the BOJ to maintain monthly JGB purchases at JPY2.1 trillion.

Such a policy mix of rate hikes and a pause in QT would help secure broader political support. Short-term interest rates should move higher, long-term yields are expected to stabilize, and the overall impact on the JPY is likely to be broadly neutral.

Bank Indonesia and Bangko Sentral ng Pilipinas (18 Jun)

Bank Indonesia and Bangko Sentral ng Pilipinas are set to retain a hawkish bias at the upcoming rate review. BI surprised markets with an off-cycle 25bp rate hike on 9-June ([West Asia tensions to keep BI hawkish, unsubsidized fuel hike](#)) to address rupiah depreciation and contain inflationary expectations. We expect another 25bp increase at the scheduled rate review to 5.75%, taking cumulative tightening moves in May-June to ~100bp, reinforcing their hawkish stance.

The market's view on BSP's next move is divided between a 25bp or 50bp hike. While peso underperformance makes the case for an aggressive response, the pullback in May 2026 inflation opens the room to a measured 25bp hike, in our view. May inflation unexpectedly moderated to 6.8% yoy from 7.2% month before, on lower transport related costs following the gradual decrease in domestic pump prices as well as softer food key food commodities. Core inflation, however, tested past the official target range, underscoring the need to continue tightening policy. Peso has stabilised at lows, maintaining its position amongst the regional underperformers, with an eye on global geopolitical developments.

Taiwan Central Bank (18 Jun)

Taiwan's central bank is expected to keep its policy discount rate unchanged at 2.00% at the June 18 meeting, while maintaining a hawkish bias. Recent remarks by Governor Yang did not signal an imminent rate hike. Although CPI inflation rose above 2.0% yoy in May, he emphasized the central bank's full-year inflation forecast of 1.9%, which remains below the 2.0% threshold. Nevertheless, Governor Yang also noted that a rate hike cannot be ruled out if inflation remains above 2.0% in the second half of the year and begins to influence inflation expectations. This suggests that the policy bias has shifted toward tightening in 2H26.

The central bank is also expected to leave its macroprudential measures unchanged. Governor Yang has indicated that additional tightening of credit controls on housing mortgage lending is unlikely. At the same time, the recent rebound in property prices makes it difficult to justify any relaxation of existing measures. If there is any policy surprise at this meeting, it is more likely to come through liquidity management measures. The central bank could raise the RRR or step up liquidity absorption through open market operations, particularly given the ongoing stock market

rally and growing concerns about excess liquidity and asset market overheating.

FORTHCOMING DATA RELEASES

China

Industrial production is expected to improve from 4.1% yoy in April to 4.6% in May, supported by resilient external demand. Export growth accelerated from 14.1% yoy to 19.4% in May, driven by strong regional demand for AI-related electronics. The sub-indices for high-tech manufacturing and equipment manufacturing in the PMI both strengthened further to 52.9 and 52.1, respectively, during the period. However, domestic momentum remains uneven. Retail sales growth is expected to stay moderate at 0.4% yoy in May 2026, partly due to a high base effect from earlier trade-in subsidy programmes. Household sentiment remains weak amid uncertain employment prospects, slower income growth, and elevated precautionary savings. Meanwhile, continued declines in property prices are weighing on household wealth, suggesting consumption is likely to remain subdued in the near term. On the investment side, fixed asset investment growth is expected to decline further to -2.0% yoy ytd in May. Corporate investment remains cautious amid the ongoing anti-involution campaign, while continued contraction in real estate investment is expected to remain a major drag.

Japan

Japan's May trade and inflation data are likely to show that economic activity remains resilient, inflation is stable, but the external balance weakens. Export growth is expected to remain in double digits for a third consecutive month, rising 17.4% yoy, supported primarily by strong demand for AI-related semiconductors.

However, the trade balance is projected to record a modest deficit of JPY250 billion as import growth accelerates on the back of higher energy and raw material prices. On the inflation front, CPI inflation is expected to remain stable at 1.3% yoy, helped by the government's energy subsidy program. The BOJ is likely to take comfort from the continued strength in exports and focus on underlying inflation dynamics. At the same time, policymakers may remain concerned about the weakening external balance and the implications for the JPY. Taken together, these factors should support the case for a 25bps rate hike at the June 16 policy meeting.

Malaysia

We expect Malaysia's headline inflation to tick up to 2.0% yoy in May 2026, from 1.9% yoy in April. This marginal rise likely reflected low base effects and modest pass-through from higher energy costs, although fuel subsidies continued to cap the increase, alongside stable food and core inflation. We anticipated a continued acceleration in goods export growth to 40.0% yoy in May 2026, from 36.9% yoy in April, underpinned by sustained artificial intelligence-related electronics demand, in line with regional performance, as well as buoyant energy shipments amid elevated oil & gas prices. Continued strong exports and contained inflation likely reinforce Bank Negara Malaysia's stable monetary policy stance.

Singapore

We expect Singapore's non-oil domestic export growth to accelerate to 30.0% yoy in May 2026, following a strong pickup to 24.5% yoy in April. This robust momentum likely primarily reflected continued strength in electronics exports, underpinned by sustained global artificial intelligence-driven demand, in line with regional performance. Low base effects also likely provided favourable support to the yoy comparison.

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	5.50	5.75	5.75	5.75	5.75
INDONESIA	4.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00
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	5.40	5.90	5.90	5.90	5.90	5.90	5.90
	2Y	6.31	7.10	6.90	6.85	6.80	6.75	6.75	6.70
	10Y	6.86	7.20	7.00	6.95	6.90	6.90	6.90	6.90
	10Y-2Y	55	10	10	10	10	15	15	20
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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