DBS

The Week Ahead

Forecasts, data preview, central bank watch

July 17, 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- Indonesia is expected to raise its policy rate by 25bps to 6.0%.
- South Korea's GDP growth will likely ease to 3.6% from 3.8% in Q1.
- CPI is projected to rise in Hong Kong, Japan and Singapore.

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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
Jul 20 (Mon)		
China: 1Y loan prime rate	3.00%	3.00%
Malaysia: exports (Jun)	38.5% y/y	45.3% y/y
- imports	12.5% y/y	14.1% y/y
- trade balance	MYR41.0bn	MYR40.4bn
Jul 21 (Tue)		
Hong Kong: CPI (Jun)	2.2% y/y	2.0% y/y
Jul 22 (Wed)		
Indonesia: BI rate	6.0%	5.75%
Japan: exports (Jun)	17.7% y/y	17.0% y/y
- imports	15.3% y/y	12.5% y/y
- trade balance	JPY364.8bn	-JPY378.6bn
July 23 (Thu)		
Eurozone: ECB deposit facility rate	2.25%	2.25%
Taiwan: industrial production (Jun)	17.3% y/y	11.8% y/y
South Korea: GDP (2Q A)	3.6% y/y	3.8% y/y
Singapore: CPI (Jun)	2.0% y/y	1.8% y/y
July 24 (Fri)		
Japan: CPI (Jun)	1.7% y/y	1.5% y/y

CENTRAL BANK MEETINGS

People Bank of China (20 July)

We expect the PBOC to keep the 1Y LPR unchanged next week, as China's 1H GDP growth remains broadly in line with the government's 2026 target range of 4.5%–5.0%. While retail sales, fixed asset investment, and credit growth remained soft in June, resilient exports and stable industrial production continue to underpin overall growth. Export momentum strengthened further, supported by robust AI-related electronics demand and improving US-China trade sentiment, reducing the need for broad-based monetary easing.

At the same time, higher energy and commodity prices have lifted producer prices, limiting the scope for further rate cuts. Against this backdrop, policymakers are likely to maintain a more measured monetary policy stance while relying on targeted fiscal support, including the proposed AI infrastructure programme, to sustain growth. Additional measures to boost household consumption are also expected, in line with the government's target of raising annual retail sales to RMB60tn by 2030.

Bank Indonesia (22 July)

Bank Indonesia meets this week to decide on rates against the backdrop of a renewed escalation in West Asia tensions. We expect the policy rate to be raised by 25bp to 6.0%, which would likely mark the final hike of this cycle, as the central bank seeks to support the currency and reinforce its commitment to financial stability. Brent crude prices have rebounded by around 20% from their early July lows, weighing on risk sentiment and pushing USD/IDR back above 18,000. The rupiah continues to rank among the region's underperforming currencies. In addition to the cumulative 100bp rate increase delivered in May and June, Bank Indonesia has deployed a range of complementary measures, including maintaining attractive yield differentials through SRBIs and tightening FX purchase regulations to curb speculative activity. Beyond this week's expected hike, we anticipate BI will keep rates unchanged, with the next policy catalyst likely to come from developments in US monetary policy. Our house view is that the Federal Reserve will remain vigilant on inflation risks while keeping rates on hold, supported by contained core/ underlying price pressures.

European Central Bank (23 July)

The European Central Bank (ECB) is expected to leave the deposit facility rate unchanged in July at 2.25%. June inflation eased on a pullback in global prices, with core measures and oil futues pointing to limited spillover effects from the recent rebound in geopolitical tensions. ECB Chief Lagarde and the Governing Council are, nonetheless, likely to signal that they retain the flexibility to act if required, in essence leaving the door open to tighten rates in 3Q26. We retain our view for a 25bp hike this quarter, subject to the inflationary impact from global developments, while high frequency data signal moderation in momentum.

FORTHCOMING DATA RELEASES

Japan

June trade and inflation data are due for release. Exports are expected to maintain robust growth of nearly 18% yoy for a second consecutive month. The global AI boom continues to support Japan's manufacturing sector, particularly producers of semiconductor equipment, semiconductor materials, power semiconductors, and NAND flash memory.

CPI inflation is expected to edge up to 1.7% yoy in June from 1.5% in May. Tokyo CPI, released earlier, already pointed to firmer inflation, partly reflecting higher water utility charges following the expiration of temporary government subsidies and fee waivers.

The Bank of Japan's primary focus remains on wage-driven underlying inflation. With base wage growth holding steady at around 3% yoy for five consecutive months, the BOJ should become increasingly confident that underlying inflation is moving sustainably toward its 2% target. We continue to expect a gradual normalization path, with the policy rate rising further from 1.00% to 1.25% by 4Q26 and 1.50% by 2Q27.

South Korea

The preliminary estimate for 2Q GDP is forthcoming. On a qoq annualized basis, growth is expected to come in at 2.0%, moderating from the 7.5% surge in 1Q. On a yoy basis, growth is expected to reach 3.6%, compared with 3.8% in 1Q. Real exports maintained steady growth of around 20% yoy in 2Q, while machinery investment also continued to expand at a stable pace. Consumption indicators, however, moderated as higher energy prices and inflation weighed on household real incomes. On the supply side, services output maintained steady growth in 2Q, while construction output saw a narrowing contraction, supported by a rebound in the residential property market. Industrial production, however, slowed during the quarter.

Overall, the 2Q real GDP data may provide less optimism than the strength reflected in equity markets. The ongoing AI boom has supported South Korea's nominal GDP growth more significantly than real GDP growth, driven by surging memory chip prices, higher overall export prices, and stronger corporate earnings.

Taiwan

June export orders and industrial production data are forthcoming. Export orders are projected to grow by 45% yoy in June, driven partly by strong global AI demand and partly by the continued rise in semiconductor prices. Industrial production, measured in real terms, is expected to grow by 17% yoy in June. By sector, ICT is likely to remain the key growth driver. Among traditional industries, the machinery sector has shown a notable pickup and is expected to sustain its momentum, while other sectors such as chemicals and textiles are likely to remain weak. Overall, growth remains robust, but the momentum appears to be near its peak; the K-shaped divergence between the tech and non-tech sectors continues to persist.

Hong Kong SAR

Headline CPI is expected to edge up from 2.0% yoy in May to 2.2% in June, driven mainly by the pass-through of higher electricity, gas and transport costs following the Middle East conflict. Underlying inflation is expected to remain stable at around 2.0% yoy, supported by improving consumption sentiment. Prices for services, durable goods, and clothing & footwear are likely to continue trending higher, underpinned by a 9.2% yoy increase in mainland visitor arrivals and a slower pace of resident departures during the month.

Malaysia

We expect Malaysia's goods exports to grow by a strong 38.5% yoy in June 2026, although moderating from 45.3% yoy in May. Exports momentum remained firm, supported by electrical & electronics shipments, which continued to benefit from robust global demand related to artificial intelligence. However, the boost from energy shipments likely eased in June compared with the previous two months, as oil & gas prices retreated due to a reduction in the geopolitical risk premium.

Singapore

We expect Singapore's headline inflation to edge up to 2.0% yoy in June, from 1.8% yoy in

May, with core inflation ticking up to 1.5% yoy from 1.4%. The modest increase was likely driven by faster food inflation, and the continued pass-through of energy costs to non-private transport costs. Private transport inflation also faced upward pressure from larger increases in car and motorcycle prices, although this was partly offset by lower petrol prices. Nevertheless, contained services and accommodation inflation kept both headline and core inflation broadly in check.

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	1.2	1.5
HONG KONG	2.5	3.5	3.0	2.8	1.5	1.4	1.6	1.5
INDIA	6.7	7.8	6.8	6.4	4.9	2.2	4.5	4.2
*INDIA (FISCAL YEAR) **	*6.5*	*7.7*	*6.8*	*6.4*	*4.6*	*2.1*	*4.9*	*4.0*
INDONESIA	5.0	5.1	5.1	5.1	2.3	1.9	3.6	2.2
MALAYSIA	5.2	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	4.3	3.0	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	4.5	2.2	1.7	2.0	2.1
THAILAND	2.9	2.4	1.6	2.0	0.4	-0.1	2.5	1.5
VIETNAM	7.0	8.0	8.0	7.3	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	1.9	1.7	3.0	2.7	3.5	3.0

** 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	5.75	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	3.00	3.25	3.25	3.25	3.25	3.25
TAIWAN	2.00	2.00	2.00	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	4.50	4.50	4.50	4.50	4.50	4.50	4.50
EUROZONE^	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50
JAPAN	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50
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	6.79	6.75	6.70	6.74	6.78	6.81	6.85
USD/HKD	7.84	7.84	7.83	7.83	7.83	7.83	7.83	7.83
USD/INR	94.8	94.7	93.4	93.9	94.4	95.0	95.5	96.1
USD/IDR	17041	17907	17760	17600	17660	17730	17790	17860
USD/MYR	4.05	4.08	4.02	3.95	4.00	4.05	4.10	4.15
USD/PHP	60.7	61.3	60.4	60.6	60.7	60.9	61.1	61.3
USD/SGD	1.29	1.29	1.28	1.27	1.28	1.29	1.29	1.30
USD/KRW	1516	1549	1470	1485	1500	1515	1530	1545
USD/THB	32.6	33.2	32.7	32.0	32.5	33.0	33.5	34.0
USD/VND	26340	26310	26290	26290	26430	26570	26710	26850
AUD/USD	0.69	0.69	0.70	0.71	0.70	0.70	0.69	0.69
EUR/USD	1.16	1.14	1.15	1.17	1.16	1.15	1.14	1.13
USD/JPY	159	163	156	151	153	154	155	157
GBP/USD	1.32	1.33	1.34	1.36	1.35	1.34	1.33	1.32

INTEREST RATE FORECASTS

		2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
US	3M SOFR OIS	3.68	3.75	3.65	3.65	3.65	3.65	3.65	3.65
	2Y	3.79	4.16	3.85	3.85	3.90	3.95	3.95	3.95
	10Y	4.32	4.45	4.40	4.50	4.55	4.60	4.65	4.65
	10Y-2Y	52	29	55	65	65	65	70	70
Japan	3M TIBOR	1.27	1.41	1.45	1.50	1.55	1.75	1.75	1.75
	2Y	1.35	1.39	1.55	1.70	1.80	1.90	1.90	1.90
	10Y	2.35	2.72	2.65	2.70	2.70	2.70	2.75	2.75
	10Y-2Y	100	133	110	100	90	80	85	85
Eurozone	3M EURIBOR	2.08	2.32	2.70	2.70	2.70	2.70	2.70	2.70
	2Y	2.62	2.53	2.55	2.60	2.65	2.70	2.70	2.70
	10Y	3.00	2.86	3.10	3.20	3.25	3.30	3.30	3.30
	10Y-2Y	39	33	55	60	60	60	60	60
Indonesia	IDR 3M OIS	4.12	6.45	5.90	5.90	5.90	5.90	5.90	5.90
	2Y	6.31	7.21	6.90	6.85	6.80	6.75	6.75	6.70
	10Y	6.86	7.16	7.00	6.95	6.90	6.90	6.90	6.90
	10Y-2Y	55	-5	10	10	10	15	15	20
Malaysia	3M KLIBOR	3.37	3.45	3.35	3.35	3.35	3.35	3.35	3.35
	3Y	3.26	3.26	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	4.94	5.55	6.05	6.05	6.05	6.05	6.05
	2Y	5.42	6.08	6.10	6.20	6.25	6.30	6.35	6.35
	10Y	6.98	6.90	7.65	7.75	7.80	7.85	7.90	7.95
	10Y-2Y	156	82	155	155	155	155	155	160
Singapore	3M SORA OIS	1.16	1.16	1.20	1.20	1.20	1.20	1.20	1.20
	2Y	1.61	1.58	1.55	1.60	1.62	1.65	1.67	1.70
	10Y	2.29	2.04	2.20	2.20	2.25	2.25	2.30	2.30
	10Y-2Y	68	45	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	1.14	1.35	1.35	1.45	1.50	1.50	1.50
	10Y	2.23	2.04	2.55	2.60	2.70	2.75	2.80	2.90
	10Y-2Y	82	90	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	1.73	1.75	1.80	1.80	1.85	1.85	1.85
	10Y-2Y	48	48	50	55	55	60	60	60
Hong Kong, SAR	3M HIBOR	2.36	2.97	2.75	2.75	2.75	2.75	2.75	2.75
	2Y*	2.82	3.43	2.85	2.85	2.90	2.95	2.95	2.95
	10Y*	3.08	3.45	3.40	3.50	3.55	3.60	3.65	3.65
	10Y-2Y	26	2	55	65	65	65	70	70
Korea	3M CD	2.82	2.92	3.10	3.20	3.20	3.20	3.20	3.20
	3Y	3.56	3.70	3.60	3.75	3.75	3.75	3.75	3.75
	10Y	3.88	4.07	4.20	4.25	4.25	4.25	4.25	4.25
	10Y-3Y	32	37	60	50	50	50	50	50
India	3M MIBOR	7.25	6.61	6.75	6.75	6.75	6.75	6.75	6.75
	2Y	6.37	5.99	6.30	6.30	6.35	6.35	6.35	6.35
	10Y	7.04	6.75	6.95	6.90	6.90	6.90	6.85	6.85
	10Y-2Y	67	76	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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