DBS
The Week Ahead

Forecasts, data preview, central bank watch

July 31, 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- India is expected to keep the benchmark policy rate unchanged at 5.25%.
- Indonesia 2Q GDP growth is expected to moderate to 5.3% yoy.
- Philippines 2Q GDP growth is projected to show signs of bottoming out.


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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
Aug 3 (Mon)		
Indonesia - CPI (Jul)	3.1% y/y	3.3% y/y
- exports (Jul)	0.3% y/y	-5.7% y/y
- imports	26.7% y/y	22.2% y/y
- trade balance	-USD1.0bn	-USD1.6bn
Vietnam: exports (Jul)	25.5% y/y	28.1% y/y
- imports	40.0% y/y	45.2% y/y
- trade balance	-USD2.8bn	-USD2.6bn
- retail sales YoY YTD (Jul)	13.5% y/y	12.9% y/y
- CPI (Jul)	5.0% y/y	4.7% y/y
Aug 4 (Tue)		
Hong Kong: retail sales (Jun)	8.5% y/y	7.9% y/y
South Korea: CPI (Jul)	3.3% y/y	3.2% y/y
Aug 5 (Wed)		
India: RBI repurchase rate	5.25%	5.25%
Indonesia: GDP (2Q)	5.3% y/y	5.6% y/y
Philippines: CPI (Jul)	6.5% y/y	6.4% y/y
Aug 6 (Thu)		
Taiwan: CPI (Jul)	2.5% y/y	2.6% y/y
Thailand: CPI (Jul)	3.0% y/y	2.4% y/y
Aug 7 (Fri)		
Philippines: GDP (2Q)	3.0% y/y	2.8% y/y
China: exports (Jul)	17.0% y/y	27.0% y/y
- imports	26.8% y/y	36.0% y/y
- trade balance	USD92.0bn	USD125.6bn
Taiwan: exports (Jul)	41.1% y/y	40.3% y/y
- imports	52.6% y/y	51.8% y/y
- trade balance	USD15.4bn	USD12.2bn

CENTRAL BANK MEETINGS

Reserve Bank of India policy committee (5 Aug)

The Reserve Bank of India monetary policy committee (MPC) is expected to keep the benchmark rate unchanged at 5.25% on 5 Aug. We anticipate a cautious policy statement, that underscores the need for continued vigilance on the inflation outlook, while placing greater emphasis on core inflation as a more reliable measure of underlying price pressures than headline inflation, which has been influenced by both domestic and global supply-side factors. Against this backdrop, the committee is likely to push back against market expectations of a more aggressive tightening path reflected in implied rates.

That said, the MPC is increasingly confronted by signs of a build-up in inflationary risks. Brent crude prices have risen amid renewed geopolitical tensions. Below-normal rainfall presents upside risks to food inflation, and the development of El Niño conditions could lead to higher imported agricultural commodity prices. Therefore, a more hawkish bias in policy guidance may become increasingly difficult to avoid as the real policy rate cushion narrows, inflation risks remain skewed to the upside, and the probability of GDP growth exceeding 7% in 1QFY27 increases.

For the path ahead, markets will be watchful of developments in West Asia and signs of any change in the US Federal Reserve's policy outlook in the second half of 2026. These developments will have important implications for the rupee, capital flows, and interest rate differentials. In the near term, the anticipated recovery in portfolio inflows, together with continued inflows via the swap windows, should provide a constructive backdrop for onshore markets.

FORTHCOMING DATA RELEASES

China

Exports growth is expected to moderate from 27.0% yoy in June to 17.0% in July, as renewed tensions in the Middle East weighed on external demand. High-frequency indicators suggest export momentum has eased, with total deadweight tonnage handled at China's 20 major ports slowing from 12.9% yoy in June to 12.1% in July. Meanwhile, international cargo flights declined 26.7% to an average of 9,468 per week in July, pointing to softer trade activity.

Hong Kong

Retail sales growth is expected to accelerate from 7.9% yoy in May to 8.5% in June, supported by resilient tourism activity and improving domestic consumption. Mainland visitor arrivals remained robust, growing 10.4% yoy in June. Meanwhile, the growth in residents' outbound departures eased from 8.1% yoy in May to 5.2% in June, suggesting fewer residents spending abroad and a partial shift in consumption back to the domestic market.

South Korea

July inflation data are due for release. Headline CPI is expected to remain elevated at 3.3% yoy, up slightly from 3.2% in June and well above the Bank of Korea's 2% inflation target. The rebound in global oil prices, driven by renewed tensions in the Middle East, is likely to keep imported inflationary pressures elevated. Demand-side inflation remains relatively contained, reflecting the impact of the BOK's pre-emptive monetary tightening in anchoring inflation expectations. We expect CPI inflation to remain in the 3.0–3.5% yoy range throughout 2H26, which should prompt the BOK to deliver an additional 50bps of rate hikes, taking the policy rate to 3.25% by year-end.

Taiwan

July trade and inflation data are due for release. Export growth is expected to remain strong at around 40% yoy, resulting in a robust trade surplus of USD15bn. Excluding price effects, however, export growth is likely to have moderated to around 20% yoy. We maintain our view that the AI-driven export supercycle has peaked and is transitioning toward a more normalised growth trajectory.

CPI inflation is expected to remain elevated at 2.5% yoy. The rebound in oil prices amid renewed Middle East tensions is likely to keep imported raw material costs elevated, while the severe typhoon in July is also expected to have pushed up fresh food prices. We continue to expect CPI inflation to remain in the 2.0–2.5% yoy range through 2H26, prompting the central bank to deliver a 12.5bps rate hike in 4Q26.

Indonesia and Philippines

Inflation and 2Q26 growth numbers are due in early-August. For Indonesia, we expect 2Q26 growth to moderate to 5.3% yoy from 1Q's 5.6%. Momentum at the beginning of the year was jumpstarted by religious festive spending and strong increase in public spending. Entering the second quarter, fiscal spending remained supportive, complemented by stimulus measures and the limited pass-through of elevated global energy prices to household consumption, as domestic fuel prices remained unchanged. Private sector business activity was likely impacted by Middle East hostilities, shifts in domestic policy architecture, and subdued trade sector performance.

Growth in Philippines is expected to show signs of bottoming out but remain at modest levels, with 2Q output set to register 3% yoy rise. Inflation outcomes will benefit from a temporary pullback in global energy prices, but food costs are set to turn dearer on El Nino risks in Philippines as well as Indonesia. BSP is expected to tighten policy rates, while BI will opt to keep rates on hold after back-to-back increases.

Thailand

We expect Thailand's headline inflation to accelerate to 3.0% yoy in July, the upper end of the central bank's 1-3% target range, from 2.4% yoy in June. The pickup reflected firmer food price increases amid low base effects, and higher core inflation due to the pass-through of energy costs. Energy-driven inflation likely remained elevated as global and domestic fuel prices rebounded following the escalation of tensions in the Middle East. Nonetheless, the Bank of Thailand is unlikely to rush into monetary tightening, as it looks through this supply-driven increase in inflation, balancing with concerns about uneven economic growth.

Vietnam

We expect Vietnam's goods exports to expand by 25.5% yoy in July, extending the strong growth of 28.1% yoy in June, supported by robust electronics shipments benefitting from spillovers from artificial intelligence-related demand, despite weakness in textiles, garments, and footwear exports. Retail sales likely picked up amid resilient domestic consumption and solid tourism arrivals, despite elevated inflation. We anticipate headline inflation to rise to 5.0% yoy in July from 4.7% yoy in June, driven by firmer transport price increases as global and domestic fuel prices rebounded following the escalation of tensions in the Middle East, alongside persistently elevated food inflation.

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	5.2	4.5	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	3.5	2.4	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	1465	1450	1490	1505	1520	1535
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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