DBS

The Week Ahead

Forecasts, data preview, central bank watch

21st August 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- BOK and BSP are set to hike rates, while BOT stays on an extended pause.
- Singapore's core and headline inflation are expected to tick up.
- Hong Kong export growth to moderate.

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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

Aug 25 (Tue)		
Hong Kong: exports (Jun)	41.6% y/y	53.4% y/y
- imports	43.0% y/y	45.4% y/y
- trade balance	-HKD 55bn	-HKD 52bn
Taiwan: Industrial production (Jul)	20.7% y/y	23% y/y
Aug 26 (Wed)		
Singapore: Industrial production (Jul)	9.0% y/y	7.2% y/y
Thailand: BOT Benchmark Interest Rate	1.00%	1.00%
US: GDP (second reading)	1.6% q/q saar	1.5% q/q saar
Aug 27 (Thu)		
Philippines: BSP overnight borrowing rate	5.00%	4.75%
South Korea: BOK base rate	3.00%	2.75%
Aug 28 (Fri)		
India: Industrial production (Jul)	5.2% y/y	7.3% y/y

CENTRAL BANK MEETINGS

Bank of Thailand (BOT) (26 August)

We expect the BOT to maintain its policy rate at 1.00% at its August meeting, extending the pause following June's unanimous decision. Economic growth remains uneven, with both private consumption and foreign tourism weak but stabilising, while goods exports and private investment remain strong. Headline inflation, although elevated, has eased for three consecutive months, falling to 1.9% yoy in July from rates near the upper end of the BOT's 1-3% target range, largely due to lower energy prices. Given the uneven pace of economic growth and headline inflation remaining within the central bank's target range, the BOT retains scope to keep monetary policy unchanged and accommodative in order to support the economic recovery and complement fiscal policy amid ongoing geopolitical uncertainties.

Bank of Korea (27 August)

We expect the Bank of Korea to raise the base rate by a further 25bps to 3.00% at this meeting, alongside an upgrade to its annual macroeconomic forecasts. There is significant room for the BOK to revise up its 2026 GDP growth forecast to around 3.5%, from the current 2.6%, given the stronger-than-expected 1H growth of 3.8% yoy. There is also room to revise up its 2027 CPI inflation forecast to close to 3.0%, from the current 2.3%. Although headline CPI moderated slightly to 2.8% yoy in July, from 3.2% in June, core CPI continued to edge up to 2.6% from 2.5%, while housing prices also increased further, to 2.7% from 2.6%. These developments should keep the BOK cautious about the risk of inflation remaining above its 2% target for an extended period.

A hawkish hold at this meeting cannot be ruled out, however. This view mainly reflects the recent tightening in financial market conditions, driven by strong KRW appreciation and heightened KOSPI volatility. The BOK could therefore keep rates unchanged at this meeting while signalling the possibility of a further hike at the October meeting.

Bangko Sentral ng Pilipinas (27 August)

We expect the BSP to raise the benchmark rate by 25bp to 5%. Recent communication from the Governor has been focused on inflation risks, despite readings coming off recent highs (but remains way higher than target) and 2Q growth slowing sharply. Officials would likely prefer to see a more convincing disinflationary trend before drawing a pause. The currency's drift to record lows alongside a renewed rise in Brent prices adds to the case for a pre-emptive tightening response, with the call strengthened further by the moderation in the foreign reserves position. Beyond a likely hike in August, our baseline forecast is for one more hike within the year before slipping into a prolonged pause. Policymakers will monitor signs of a potential shift in the US Fed's policy bias as well as US yield movements in the near-term.

FORTHCOMING DATA RELEASES

Hong Kong SAR

Exports growth is expected to moderate slightly from 53.4% yoy in June to 44.8% in July, largely reflecting base effects. The moderation is broadly in line with the easing in China's export growth, from 27.0% yoy in June to 23.9% in July. Nevertheless, trade momentum remains robust, supported by easing geopolitical disruptions following the Middle East ceasefire and strong demand for AI-related electronics. Import growth is also expected to remain firm, reflecting sustained demand for intermediate and capital goods amid resilient export orders and a gradual improvement in investment sentiment.

Singapore

We expect Singapore's headline and core inflation to rise to 2.4% yoy and 2.3% yoy, respectively, in July, from 1.9% yoy and 1.6% yoy in June. The pickup was due to the delayed pass-through of higher global energy costs reflected in the sharp 17% increase in electricity tariffs in 3Q26, alongside firmer food price increases. This build-up in underlying price pressures likely validated the central bank's decision to very slightly increase the appreciation pace of its currency policy band at its July review. Policymakers will likely maintain their vigilance and a slight hawkish stance toward upside inflation risks in their commentary on the inflation outlook, given the ongoing disruptions and conflict in the Middle East.

We forecast industrial production growth to rise to 9.0% yoy in July, from 7.2% yoy in June. This was driven primarily by robust expansion in the electronics and precision engineering clusters, both of which continued to be underpinned by strong global demand for artificial intelligence-related hardware. However, factory performance remained uneven, as rising cost pressures and supply chain disruptions in the Strait of Hormuz continue to weigh on chemicals and general manufacturing clusters.

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	4.3	0.2	0.0	1.0	1.0
HONG KONG	2.5	3.5	3.8	2.8	1.5	1.4	2.0	2.0
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	5.3	5.1	2.3	1.9	3.3	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	5.0	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	11.6	5.6	2.2	1.7	2.0	2.1
THAILAND	2.9	2.4	2.1	2.0	0.4	-0.1	1.7	1.0
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	0.1	1.2	0.9	1.0	2.7	3.2	1.8	1.5
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	5.75	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	1.25	1.25	1.50	1.75	1.75	1.75
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	1.50	1.60	1.75	1.85	1.85	1.85
	2Y	1.35	1.39	1.60	1.70	1.85	1.95	1.95	1.95
	10Y	2.35	2.72	2.80	2.85	2.95	3.00	3.00	3.00
	10Y-2Y	100	133	120	115	110	105	105	105
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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