

Forecasts, data preview, central bank watch

28th August 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- BNM to maintain its Overnight Policy Rate at 2.75%.
- India's 1QFY27 GDP likely to show resilience despite geopolitical disruptions.
- South Korea's and Vietnam's exports expected to remain strong.



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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 31 (Mon)		
India: GDP (2Q)	7.5% y/y	7.8% y/y
Hong Kong: retail sales (Jul)	3.6% y/y	4.6% y/y
Japan: industrial production (Jul)	4.6% y/y	4.9% y/y
South Korea: industrial production (Jul)	4.7% y/y	5.8% y/y
Sep 1 (Tue)		
South Korea: exports (Aug)	64.4% y/y	62.8% y/y
- imports	25.3% y/y	26.5% y/y
- trade balance	USD30.8bn	USD30.3br
Indonesia: exports (Jul)	1.1% y/y	8.8% y/y
- imports	24% y/y	34.3% y/y
- trade balance	-USD500mn	-USD450m
- CPI (Aug)	2.9% y/y	2.9% y/y
Sep 2 (Wed)		
South Korea: CPI (Aug)	3.1% y/y	2.8% y/y
Sep 3 (Thu)		
Malaysia: BNM overnight policy rate	2.75%	2.75%
Vietnam: exports (Aug)	27.0% y/y	25.0% y/y
- imports	41.5% y/y	41.4% y/y
- trade balance	-USD1.1bn	-USD3.6bn
- retail sales YoY YTD (Aug)	13.2% y/y	13.1% y/y
- CPI (Aug)	4.4% y/y	4.4% y/y
Sep 4 (Fri)		
Philippines: CPI (Aug)	5.8% y/y	6.2% y/y
US: change in nonfarm payrolls	50k	-23k

CENTRAL BANK MEETINGS

Bank Negara Malaysia (BNM) (3 Sep)

We expect BNM to maintain its Overnight Policy Rate (OPR) at 2.75% on September 3, unchanged since its 25bps insurance rate cut in July 2025. The central bank will likely continue assessing that the current monetary policy stance remains conducive to supporting economic growth amid ongoing price stability. Malaysia's headline inflation has remained contained despite the Middle East shock, easing to 1.8% yoy in July 2026, the lowest since March, and within policymakers' 2026 average forecast of 1.5-2.5%. Economic growth has also remained robust despite external uncertainties, supported by strong fundamentals, including firm expansion in artificial intelligence-related exports, and sustained domestic demand underpinned by resilient household spending and investment. As a result, overall growth could be around 5% in 2026. While some market participants expect BNM to reverse its previous insurance easing with a rate hike over the next couple of meetings, we see little urgency for the central bank to do so.

FORTHCOMING DATA RELEASES

Hong Kong

Retail sales growth is expected to decelerate from 4.6% yoy in June to 3.6% in July, amid softer visitor arrivals. The daily average of mainland visitor arrivals moderated from 10.4% yoy in June to 2.6% in July, weighed by higher energy prices and geopolitical uncertainty. Meanwhile, outbound tourism remained elevated, rising 4.2% yoy in July to 324k persons

per day. Price pressures also eased alongside weaker demand, with consumer price inflation moderating from 2.0% yoy in June to 1.7% in July. Durable goods and basic food prices both declined by 0.2%.

South Korea

August trade and inflation data will be the key focus in the week ahead. Exports are expected to remain strong at around 60% yoy in August, as inferred from the first 20 days of data (+56% yoy), resulting in a strong trade surplus of around USD30bn. This should provide fundamental support for the outlook for the KOSPI and KRW. That said, export growth likely peaked at 70.4% yoy in June and is set to moderate for a second consecutive month in August, corroborating our view that the AI supercycle is approaching a peak.

On the prices front, headline CPI is expected to rebound to around 3% yoy in August, after temporarily moderating to 2.8% in July. Core CPI is also expected to edge up further to around 3%, converging with headline CPI. This should reinforce the case for further BOK rate hikes in the remainder of the year. In addition to lingering supply-side inflation pressures amid uncertainty over energy prices, demand-side inflation is expected to gradually build as consumption recovers and downstream pricing power improves.

India

GDP growth in 1QFY27 is likely to suggest that the economy weathered geopolitical disruptions better than initially factored in. Our consolidated consumption gauge strengthened during the quarter, even as sentiment indicators, pointed to a more cautious backdrop and wealth effects remained muted amid subdued capital

market performance. Production activity picked up, although demand for industrial fuels and downstream petroleum products remained soft following a series of price adjustments.

Meanwhile, the services sector continued to provide support to overall growth, as reflected in robust bank credit expansion, PMIs remaining in expansionary territory, higher e-way bill generation, and resilient export growth. Corporate earnings indicators were also broadly constructive, with aggregate revenue growth across listed firms remaining resilient, although higher energy prices weighed on the profitability of oil marketing companies. At the same time, the external sector presented a mixed picture, with a higher oil import bill weighing on the goods trade balance even as nominal export growth remained firm.

Indonesia/ Philippines

Indonesia's inflation is expected to remain steady at 2.9% YoY in August, with normalisation in food prices and a gradual firming in services inflation likely supporting the headline print. With the impact of higher global energy prices largely absorbed through existing fuel subsidies, headline inflation pressures should remain contained. Core and headline inflation are set to converge, as the scale of increase in personal care & services (mainly precious metals) moderates and overall inflation stays firm. We withdrew our call for a last 25bp rate hike in 4Q26. Goods trade numbers are on course to deliver another modest deficit as elevated refined fuel prices keep the import bill high, outpacing exports growth.

Philippines inflation is expected to moderate to 5.8% yoy in August from 6.2% in July but stay above the BSP's target for the sixth consecutive month. Impact of high oil prices

is likely to be evident in the second and third quarters, while markets are watchful of the El Nino spillover risks towards late year. Policymakers, meanwhile, have been more concerned with second order effects and inflationary expectations, with periodic wage adjustments already under way in the capital region.

Vietnam

We expect Vietnam's goods exports to extend their run of robust double-digit growth, expanding by 27.0% yoy in August 2026, up from 25.0% yoy in July, driven primarily by strong electronics shipments amid supportive external demand. Retail sales likely remained strong in the year to August, supported by resilient domestic consumption and tourism-related spending. We see headline inflation holding at a still-elevated 4.4% yoy in August, although this would be below May's peak of 5.6% yoy, as transport price increases have eased from the recent high, while food and housing inflation remained firm.

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	2.7
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	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	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	1.30	1.40	1.50	1.50	1.50	1.50
	2Y	1.61	1.58	1.70	1.80	1.85	1.90	1.95	2.00
	10Y	2.29	2.04	2.30	2.40	2.50	2.50	2.50	2.50
	10Y-2Y	68	45	60	60	65	60	55	50
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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