DBS

The Week Ahead

Forecasts, data preview, central bank watch

4 September 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- ECB to raise the deposit facility rate by 25bp to 2.50%.
- China and Taiwan to report double digit exports growth in August, though easing from recent peaks.
- CPI inflation to remain elevated in the US, Taiwan and Thailand, but weak in China.

Taimur Baig PhD,
Chief Economist
taimurbaig@dbs.com

Ma Tieying, Senior Economist
matieying@dbs.com

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
Sep 7 (Mon)		
Thailand: CPI (Aug)	2.3% y/y	1.9% y/y
Sep 8 (Tue)		
Taiwan: CPI (Aug)	2.5% y/y	2.5% y/y
China: exports (Aug)	18.5% y/y	23.9% y/y
- imports	25.7% y/y	27.6% y/y
- trade balance	USD103.8bn	USD112.3bn
Sep 9 (Wed)		
China: CPI (Aug)	0.7% y/y	0.5% y/y
Malaysia: industrial production (Jul)	5.0% y/y	6.5% y/y
Taiwan: exports (Aug)	31.0% y/y	32.9% y/y
- imports	40.1% y/y	37.4% y/y
- trade balance	USD18.2bn	USD17.2bn
Sep 10 (Thu)		
ECB deposit facility rate	2.50%	2.25%
Sep 11 (Fri)		
US: CPI (Aug)	3.3% y/y	3.4% y/y

CENTRAL BANK MEETINGS

European Central Bank

The ECB Governing Council is expected to raise the benchmark deposit facility rate by 25bp to 2.5%. Eurozone's inflation-growth mix is likely to convince policymakers that the economy can withstand further monetary tightening. Inflation jumped to 3.3% yoy in August from 2.9% month before, moving further from the 2% target, primarily driven by 14.3% increase in the energy component. Core inflation, however, stayed steady at 2.4% yoy, accompanied by softening service inflation, suggesting spillover risks are limited at this juncture. However, from the ECB's perspective, the risk is that sustained increase in inflation eventually broadens into wages, services and inflation expectations, preferring to act pre-emptively. On the real activity end, incoming data has been mixed. Meanwhile, sell off in the global bonds has also swept European rates higher, suggesting investors are growing wary of wide deficits in light of geopolitical tensions, higher defence expenditure and other prevailing uncertainties.

FORTHCOMING DATA RELEASES

China

Exports growth is expected to decelerate from 23.9% yoy in July to 18.5% in August, amid renewed Middle East conflict. While the new export orders PMI turned marginally positive at 50.1 in August, high-frequency indicators point to softer export momentum. Average daily deadweight tonnage handled at China's 20 major ports declined from 12.1% yoy growth in July to -0.7% in August. Freight activity also weakened, with international cargo flights slowing from -1.6% yoy in July to -2.8% in August.

On price front, factory-gate and raw material prices rebounded amid the renewed escalation at the Strait of Hormuz. However, with the pass-through to downstream consumer prices likely to remain contained under the pricing-band mechanism, CPI growth is expected to accelerate from 0.5% yoy in July to 0.7% in August. Weak domestic demand is also expected to weigh on consumer prices growth.

Malaysia

We expect Malaysia's industrial production to continue expanding in July 2026, growing by 5.0% yoy, supported by the export-oriented segment, underpinned by resilient demand for artificial intelligence-related electronics. However, the pace was likely moderate than 6.5% yoy in June, due to higher base effects especially in mining.

Taiwan

August trade and inflation data are forthcoming. Export growth is expected to come in at around 30% yoy, broadly steady from 32.9% in July, but slower than the 43.7% average in 2Q and the 51.1% peak in 1Q. The US-led AI investment boom appears to be transitioning from a supercycle to a more steady cycle as high base effects emerge, global interest rates rise, and regulatory uncertainties increase.

On the price front, CPI is expected to remain elevated at 2.5% yoy in August, broadly unchanged from July. Upstream price pressures, as measured by PPI, remain elevated, while downstream cost pass-through is expected to gradually take place as domestic consumption recovers and pricing power improves.

With CPI consistently running above 2%, the central bank is likely to face greater pressure to hike rates in the coming months, with December a likely timing for the hike.

Thailand

We expect Thailand's headline inflation to rise to 2.3% yoy in August 2026, from 1.9% yoy in July, driven by the continued cost pass-through of higher energy prices relative to a year ago into core inflation, despite moderate energy inflation. Meanwhile, food inflation faces upside risks from adverse weather conditions associated with an intensifying El Nino. With headline inflation remaining within the Bank of Thailand's 1-3% target and the rise in inflation largely reflecting temporary supply-side shocks, we expect the central bank to look through these effects, and maintain its accommodative monetary policy stance through the remainder of 2026 to support uneven economic growth.

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	7.4	7.3	7.8	6.8	4.9	2.2	4.5	4.2
*INDIA (FISCAL YEAR) **	*7.2*	*7.8*	*7.3*	*6.8*	*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**	1.16	1.16	1.30	1.40	1.50	1.50	1.50	1.50
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	3.25	3.50	3.50	3.50	3.50	3.50
	3Y	3.56	3.70	3.75	3.90	3.90	3.90	3.90	3.90
	10Y	3.88	4.07	4.20	4.35	4.35	4.35	4.35	4.35
	10Y-3Y	32	37	45	45	45	45	45	45
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)

DBS Group Research

ECONOMICS & STRATEGY

Taimur BAIG, Ph.D.
Chief Economist
Global
taimurbaig@dbs.com

Mo JI, Ph.D.
Chief Economist
China/HK SAR
mojim@dbs.com

Han Teng CHUA, CFA
Senior Economist
Asean
hantengchua@dbs.com

Wei Liang CHANG
FX & Credit Strategist
Global
weiliangchang@dbs.com

Tieying MA, CFA
Senior Economist
North Asia
matieying@dbs.com

Philip WEE
Senior FX Strategist
Global
philipwee@dbs.com

Mervyn TEO
Senior Credit Analyst
USD, SGD, AUD
mervynteo@dbs.com

Eugene LEOW
Senior Rates Strategist
G3 & Asia
eugeneleow@dbs.com

Sherilyn CHEW
Multi-asset Strategist
Global
sherilynchew@dbs.com

Ian Haan Chui
Credit Analyst
USD
ianchui@dbs.com

Samuel TSE
Rates Strategist
Asia
samueltse@dbs.com

Tracy Li Jun LIM
Credit Analyst
USD, SGD
tracylimt@dbs.com

Joel SIEW, CFA
Credit Analyst
USD, SGD, AUD
joelsiew@dbs.com

Amanda SEAH
Credit Analyst
USD, SGD, AUD
amandaseah@dbs.com

Teng Chong LIM
Credit Analyst
USD, SGD, AUD
tengchonglim@dbs.com

Daisy SHARMA
Analyst
Data Analytics
daisy@dbs.com

Iris GAO
Credit Analyst
USD
irisgao@dbs.com

Radhika RAO
Senior Economist
Asean/EU/South Asia
radhikarao@dbs.com

Violet LEE
Associate
Publications
violetleeyh@dbs.com

Nathan CHOW
Senior Economist
China/HK SAR
nathanchow@dbs.com

Byron LAM
Economist
China/HK SAR
byronlamfc@dbs.com

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DBS Bank Ltd., 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982. Tel: 65-6878-8888. Company Registration No. 196800306E.

DBS Bank Ltd., Hong Kong Branch, a company incorporated in Singapore with limited liability. 18th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong SAR.

DBS Bank (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability. 11th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong SAR.

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