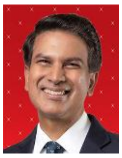
The Week Ahead

Forecasts, data preview, central bank watch

18th September 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- We expect the PBOC to keep the 1Y LPR unchanged at 3.00%.
- Bank Indonesia is expected to the benchmark rate unchanged at 5.75%.
- Singapore's and Hong Kong's CPIs are expected to edge up from 2.2% YoY and 1.7% YoY in July to 2.3% and 1.8% in August respectively.


Taimur Baig PhD,
Chief Economist
taimurbaig@dbs.com


Samuel Tse,
Rates Strategist
samueltse@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 21 (Mon)		
China: 1-year loan prime rate	3.00%	3.00%
Sep 23 (Wed)		
Indonesia: BI-rate	5.75%	5.75%
Taiwan: industrial production (Aug)	24.6% y/y	25.6% y/y
Singapore: CPI (Aug)	2.3% y/y	2.2% y/y
Hong Kong: CPI (Aug)	1.8% y/y	1.7% y/y
Sep 24 (Thu)		
Hong Kong: exports (Aug)	53.2% y/y	50.7% y/y
- imports	40.8% y/y	41.0% y/y
- trade balance	USD18.4bn	-USD4.9bn

CENTRAL BANK MEETINGS

People Bank of China (21 Sep)

We expect the PBOC to keep the 1Y LPR unchanged at 3.00%, maintaining a measured easing stance as resilient exports and industrial activity continue to support growth. Industrial production growth accelerated from 4.5% yoy in July to 5.2% in August, buoyed by strong exports despite soft domestic demand. High-tech manufacturing expanded by 16.7% yoy, supported by the regional AI and electronics upcycle. Domestic momentum, however, remains uneven. Retail sales growth slowed from 0.6% yoy in July to 0.4% in August, weighed down by weaker purchases of big-ticket items, including luxury goods, automobiles and furniture. Elevated precautionary savings and falling property prices continued to constrain household consumption. Investment conditions also deteriorated, with the fixed asset investment contraction widening from 6.7% yoy ytd in July to 7.2% in August. State-owned and private investment fell by 3.6% and 10.1% yoy, respectively, while property investment declined by 19.9% yoy ytd as developers prioritised completions over new starts. Against this backdrop, policymakers are likely to maintain a measured policy stance, relying on targeted fiscal support to sustain growth rather than further rate cuts.

Bank Indonesia (23 Sep)

Bank Indonesia is expected to the benchmark rate unchanged at 5.75% this month. New Governor Destry is likely to highlight tighter global financial conditions, and geopolitical risks as key risks of the horizon, while the domestic economy continues to be relatively resilient. After a considerable period of volatility in first half of the year, USDIDR has been rangebound this quarter, lowering the need for currency-driven hikes. The incoming Finance Minister's past statements also point to a continued preference for fiscal prudence rather than fiscal activism. We expect broad adherence to fiscal thresholds, a preference to reallocate expenditure than to boost borrowings, and build buffers in the math to absorb unexpected shocks, to add to macro stability. Inflation is off its back, but still within the BI's target range. Against this backdrop and despite US Fed's hike, we expect Indonesia's policymakers to exhibit limited urgency to tighten policy at this juncture.

FORTHCOMING DATA RELEASES

Hong Kong SAR

Export growth is expected to accelerate from 50.7% yoy in July to 53.2% in August, in line with the pickup in China's export growth from 23.9% yoy to 25.0% over the same period. Trade momentum remains robust, supported by strong demand for AI-related electronics. Import growth is also expected to stay firm, reflecting sustained demand for intermediate and capital goods amid resilient export orders and gradually improving investment sentiment.

On the inflation front, CPI is projected to edge up from 1.7% yoy in July to 1.8% in August, supported by improving consumption sentiment. The overall diffusion index strengthened during the month, driven by gains in the retail trade and restaurant sub-indices. Mainland visitor arrivals increased by 13.3% yoy in August on a daily average basis, providing further support to domestic consumption. Renewed Middle East conflict during the month will also provide upward pressure to headline CPI.

Singapore

We expect Singapore's core and headline inflation to rise slightly to 2.1% yoy and 2.3% yoy, respectively, in August 2026, from 2.0% yoy and 2.2% yoy in July. The inflation readings likely reflected the continued lagged impact from higher global energy prices, such as a positive contribution from elevated electricity & gas price increases for a second consecutive month, and high transport inflation, while food inflation likely firmed. However, low albeit slightly rising accommodation cost increases and contained domestic services inflation should limit the overall increase in price pressures.

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	1.2	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	5.75	5.75	5.75	5.75	5.75
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	1.60	1.80	2.00	2.00	2.00	2.00
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	2.75	3.00	3.00	3.00	3.00
JAPAN	0.75	1.00	1.25	1.25	1.50	1.75	1.75	1.75
UNITED STATES	3.75	3.75	4.00	4.25	4.50	4.50	4.50	4.50

** 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	3.90	4.15	4.40	4.40	4.40	4.40
	2Y	3.79	4.16	4.60	4.65	4.70	4.70	4.70	4.70
	10Y	4.32	4.45	5.00	5.10	5.20	5.20	5.20	5.20
	10Y-2Y	52	29	40	45	50	50	50	50
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	2.95	2.95	2.95	2.95	2.95
	2Y	2.62	2.53	2.90	3.00	3.00	3.00	3.00	3.00
	10Y	3.00	2.86	3.30	3.40	3.50	3.60	3.70	3.80
	10Y-2Y	39	33	40	40	50	60	70	80
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	6.80	6.70	6.65	6.60	6.50
	10Y	6.86	7.16	7.00	6.95	6.90	6.90	6.90	6.90
	10Y-2Y	55	-5	10	15	20	25	30	40
Malaysia	3M KLIBOR	3.37	3.45	3.35	3.35	3.35	3.35	3.35	3.35
	3Y	3.26	3.26	3.35	3.30	3.30	3.25	3.25	3.25
	10Y	3.63	3.60	3.80	3.85	3.85	3.85	3.80	3.80
	10Y-3Y	37	35	45	55	55	60	55	55
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	6.20	6.25	6.25	6.30	6.35	6.35
	10Y	6.98	6.90	7.35	7.45	7.50	7.55	7.60	7.65
	10Y-2Y	156	82	115	120	125	125	125	130
Singapore	3M SORA OIS	1.16	1.16	1.60	1.80	2.00	2.00	2.00	2.00
	2Y	1.61	1.58	1.95	2.10	2.20	2.20	2.20	2.20
	10Y	2.29	2.04	2.50	2.60	2.70	2.70	2.70	2.70
	10Y-2Y	68	45	55	50	50	50	50	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	1.15	1.20	1.25	1.30	1.35	1.35
	10Y	2.23	2.04	2.10	2.20	2.30	2.40	2.50	2.60
	10Y-2Y	82	90	95	100	105	110	115	125
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	3.10	3.35	3.60	3.60	3.60	3.60
	2Y*	2.82	3.43	3.90	3.95	4.00	4.00	4.00	4.00
	10Y*	3.08	3.45	4.20	4.30	4.40	4.40	4.40	4.40
	10Y-2Y	26	2	30	35	40	40	40	40
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	6.30	6.80	6.80	6.80	6.80	6.80
	2Y	6.37	5.99	6.50	6.70	6.75	6.75	6.75	6.75
	10Y	7.04	6.75	7.00	7.10	7.15	7.15	7.15	7.15
	10Y-2Y	67	76	50	40	40	40	40	40

%, 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 (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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