

The Week Ahead

Forecasts, data preview, central bank watch

2 October 2026

KEY DATA RELEASES AND EVENTS NEXT WEEK

- RBI to hike the policy rate by 25bps
- Strong trade and production data from Malaysia and Taiwan are likely
- Thailand to report a sizeable pick-up in inflation



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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 FORECAST FOR THE COMING WEEK

Event	DBS	Previous
Oct 6 (Tue)		
Philippines: Inflation (Sep)	6.8% y/y	6.1% y/y
Thailand: Inflation (Sep)	3.2% y/y	2.5% y/y
Oct 7 (Wed)		
India: RBI repurchase rate	5.50%	5.25%
Taiwan: Inflation (Sep)	2.4% y/y	2.04% y/y
Oct 8 (Thu)		
Taiwan: exports (Sep)	41.9% y/y	44.3% y/y
- imports	44.0% y/y	41% y/y
- trade balance	\$16.6bn	\$22.3bn
Oct 9 (Fri)		
Malaysia: industrial production (Aug)	5.8% y/y	4.7% y/y

CENTRAL BANK MEETINGS

India: RBI monetary policy committee meeting (7-Oct)

The macro environment has undergone significant changes since the RBI monetary policy committee's (MPC) August policy meeting, with global oil prices rising past \$100/b, and US Fed kickstarting their rate hike cycle. Domestically, core and headline continued to rise, laying the ground for inflation to quicken beyond 5.8-6.0% in the second half as price risks broaden. Strong 1QFY27 GDP growth meanwhile pointed to the economy's relative resilience to external shocks.

Besides fuel feeding into food costs, weather has also proved to be disruptive, with indications that the El Niño phenomenon could extend into 2027. International food benchmarks, including the UN Food Price index and the Bloomberg spot agricultural indices, continue to climb. India's food inflation has become more broad-based, shifting beyond vegetables and pulses to sugar, milk, protein groups, and edible oils. Sub-par weather has contributed to this upmove, besides idiosyncratic factors like swing in production trends (cobweb), diversion for fuel usage etc.

After two years of normal monsoon, cumulative southwest rainfall this year is set to end with rainfall around 12-13% below the long-term average, the most since 2015 and resulting in a slower build-up in reservoir levels.

Global benchmark oil price gauge has averaged ~\$93/b in FY27 year-to-date, up 36% yoy vs FY26. Retail pump fuel prices were adjusted in quick succession in May26 and have been left unchanged since then, while other fuel products including CNG, aviation fuel, LPG etc have continued to climb. Add to this, other pockets like telecom, restaurants, business services, transport fares etc have been inching up, reflecting early signs of broadening in price pressures (on sequential basis). A gradual broadening of price pressures is likely to keep headline inflation high and narrow the real rate buffer significantly.

Authorities are also conducting liquidity absorption measures through market operations like VRRR, open market operations and sell-buy FX swaps. This is likely to align the overnight call money rates to the benchmark repo rate, after having fallen sharply due to the surplus in the banking system. Liquidity and core inflation have historically displayed a modest positive relationship, as per our study. As such, the RBI's inflation mandate has likely reinforced the push to drain excess liquidity.

We expect the RBI MPC to raise the repo rate by 25bp to 5.5%, citing pipeline inflationary pressures. Stance could be changed to withdrawal of accommodation at this or the next meeting to signal hawkish intent. Growth and inflation might be revised up. We expect one more hike within 4Q26, though the odds of additional hikes have risen as oil prices stay stubbornly high and weather remains unfavourable. Growth and inflation might be revised up.

FORTHCOMING DATA RELEASES

Malaysia

We expect industrial production to grow by 5.8% yoy in August from 4.7% yoy in July. Strength in export-oriented manufacturing is likely to persist, supported by sustained demand for artificial intelligence-related electronics goods, while mining output may have recovered from its contraction in July.

Taiwan

September trade and inflation data are forthcoming. Export growth is expected to sustain the 40% pace seen in the previous month. The global AI boom is facing rising headwinds from synchronised rate hikes by G3 central banks, higher bond yields, and rising financing costs. That said, there are so far no clear signs of a significant slowdown, based on the high-frequency indicators we track across AI demand, investment, and supply.

CPI is expected to rebound to 2.4% YoY in September, up from 2.0% in August. The earlier arrival of the Mid-Autumn Festival this year may have boosted food and services prices on a YoY basis. The rebound in global energy prices should also have lifted transport costs, including gasoline prices and airfares. While electricity tariffs will remain frozen, the December review implies a possibility of an electricity price hike after the local elections.

Given still-strong economic growth, persistent inflation, and the potential for inflation expectations to rise, we maintain our view that the central bank will raise the policy rate by a modest 12.5bps to 2.125% in December.

Thailand

We expect Thailand's headline inflation to accelerate to 3.2% yoy in September from 2.5% yoy in August, slightly exceeding the central bank's 1-3% inflation target. Faster increases in energy and food prices likely pushed overall inflation higher, despite an easing in electricity tariffs starting September. We expect the Bank of Thailand (BOT), which views the rise in inflation as largely supply-driven, to keep its policy rate stable at 1.00% for the remainder of 2026, aiming to support an economy with low and uneven 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	1.2	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	2.1	2.3	2.2	3.0	2.7	3.3	2.8

* 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	5.00	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	6.69	6.60	6.63	6.65	6.68	6.70
USD/HKD	7.84	7.84	7.83	7.83	7.83	7.83	7.83	7.83
USD/INR	94.8	94.7	95.8	95.6	95.7	95.8	95.9	96.0
USD/IDR	17041	17907	17720	17400	17470	17530	17600	17660
USD/MYR	4.05	4.08	4.07	4.00	4.04	4.08	4.11	4.15
USD/PHP	60.7	61.3	62.6	61.5	62.1	62.8	63.4	64.0
USD/SGD	1.29	1.29	1.28	1.26	1.27	1.27	1.28	1.29
USD/KRW	1516	1549	1395	1400	1410	1420	1425	1435
USD/THB	32.6	33.2	33.3	32.6	32.8	32.9	33.0	33.2
USD/VND	26340	26310	26000	25840	25980	26120	26260	26400
AUD/USD	0.69	0.69	0.71	0.71	0.71	0.70	0.70	0.70
EUR/USD	1.16	1.14	1.15	1.18	1.17	1.17	1.16	1.15
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)

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