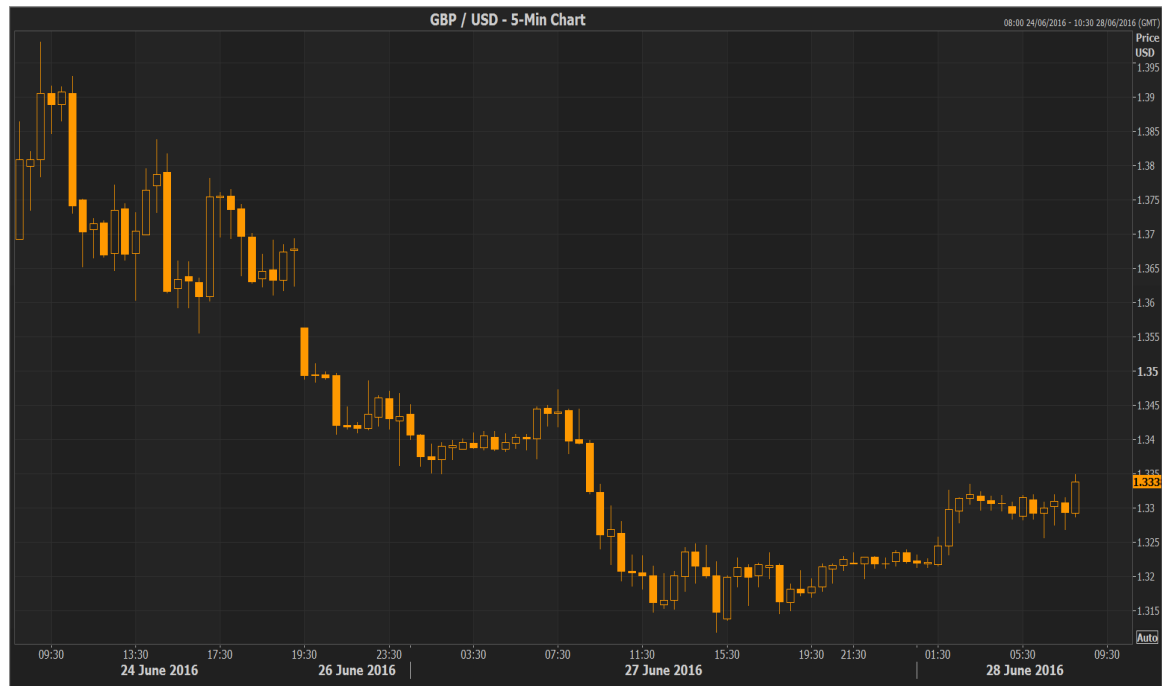


Brexit referendum - I can't overemphasize how important this vote is for the markets. Let me just quote from two public figures. IMF head Christine Lagarde last month warned that if Britain voted to leave, the impact would range from "pretty bad to very, very bad." Finnish finance minister, Alexander Stubb, said there would be "economic mayhem." He feared it could be ***"the Lehman Brothers moment of Europe."***

Upcoming economic indicators and events						
Time (GMT)	Country	Indicator	Month	Expected	Previous	
Monday 20-Jun						
No major indicators						
13:00	EU	ECB's Mersch speaks at a conference in Brussels				
16:15	US	Minneapolis Fed President Kashkari speaks on a penl about policies towards banks				
Tuesday 21-Jun						
01:30	Australia	RBA June meeting minutes				
04:30	Japan	All industry activity index	Apr	1.2%	0.1%	
09:00	Germany	ZEW survey -- expectations	Jun	4.8	6.4	
13:00	EU	ECB President Draghi speaks at European Parliament				
14:00	US	Fed Chair Yellen presents semi-annual monetary policy report to Senate				
Wed 22-Jun						
12:30	Canada	Retail sales (mom)	Apr	n.a.	-1.0%	
14:00	US	Fed Chair Yellen presents semi-annual monetary policy report to House				
14:00	EU	Consumer confidence	Jun (F)	-7.0%	-7.0%	
14:00	US	Existing home sales	May	5.55mn	5.45mn	
Thursday 23-Jun						
n.a.	UK	Brexit vote				
07:00	France	Markit manufacturing PMI	Jun (P)	48.9	48.4	
07:30	Germany	Markit/BME manufacturing PMI	Jun (P)	52.0	52.1	
08:00	EU	Markit manufacturing PMI	Jun (P)	51.4	51.5	
08:00	EU	Markit services PMI	Jun (P)	53.2	53.3	
08:00	EU	Markit composite PMI	Jun (P)	53.0	53.1	
12:30	US	Chicago Fed national activity index	May	n.a.	0.10	
13:45	US	Markit manufacturing PMI	Jun (P)	50.3	50.7	
14:00	US	New home sales	May	565k	619k	
14:00	US	Leading index	May	0.2%	0.6%	
21:00	UK	Polls close; referendum count begins				
Friday 24-Jun						
n.a.	UK	Voting results from the 382 counting areas to be announced as available				
n.a.	UK	Final results expected sometime during the morning				
08:00	Germany	Ifo expectations	Jun	101.2	101.6	
12:30	US	Durable goods orders	May	-0.8%	3.4%	
Sunday 26-Jun						
n.a.	Spain	General election				

There would certainly be, shall we say, market turbulence. In the first case, the pound would plunge. The euro too would come under pressure, I expect. Funds would flow out of these currencies and into the dollar. The safe-haven JPY and CHF would probably come under upward pressure, although the Swiss National Bank has already warned that they'd intervene. Stock markets would be sharply lower too, I imagine, while gold would probably get a boost. The direct economic impact is really the least of the problems resulting from Brexit, though. Central bank intervention can help the markets to survive the initial shock. UK and EU trade may suffer, but it will probably just mean slower growth, not depression. **The big, long-lasting problem is the implication for the European project, the "ever closer union" that the EU is pledged to pursue.** Frank-Walter Steinmeier, foreign minister, told a conference last week that if Britain leaves, "the EU will find itself in a deep crisis...It would require concerted efforts to ensure that . . . a decades-long, successful integration effort does not end in disintegration." Euroskeptic parties in the Union's heartland, such as France, Germany and the Netherlands, would get a boost and perhaps demand their own referendum. In fact, the reverberations might be heard as early as three days later, on Sunday, when Spain holds a general election. That's why I think the euro would be hurt as well as the pound, although certainly not as much. So far the signs aren't good. The polls were showing a majority in favor of Brexit up until the weekend.



The polls aren't perfect, though. Remember the 2015 UK general election, when all the polls unanimously predicted a hung Parliament but in the event the Conservatives won so many seats that they didn't even need a coalition? Or the Scottish independence referendum? The polls failed to predict that result accurately, too. Unfortunately, a lot of work since then has gone into correcting for those errors, so the polls may be more accurate now. **Source: [Exprimus Forex Broker \(Review and Forex Rebates up TO 85%\)](#)**