

[Judgement Day](#) - The one thing that is guaranteed overnight tonight is volatility, as the UK vote on EU membership has finally arrived. Polling stations close at 22:00 local time, with results then being counted across the 382 counting areas. The final result will be announced at the start of the European session tomorrow, but may become clear earlier should the results show a comfortable margin for one side or the other. The market is priced towards the **UK** remaining in the EU, but not fully. Should we see this come to pass, then the currency will breathe a decent sigh of relief. For cable, this could see a move up to the 1.53-54 level. A vote to leave would be a more complex scenario. Cable could easily move down to the 1.32-33 area initially. We'd see some dollar safe-haven bid, together with sharp moves in both the yen and Swiss franc. The latter could be vulnerable to central bank action to quell the rise in the currency. Both central banks were happy to stand by ahead of the vote, but both are uncomfortable with the level of their respective currencies and the SNB is probably better positioned to do something about it. Japan would probably want some support from its G7 counterparts. As we know, the SNB do their own thing. In the Brexit scenario, we'd also see the government move to downplaying the risks to the economy, underlining the fact that nothing will change in the immediate future. Combine this with the intervention risks on safe havens, then cable could well bounce from the lows in the following hours and days. But it's not just currencies affected; equities have been dragged into the storm as well. On the 'remain' scenario, the

FTSE could well jump to the 6,500 level (up just over 6%). As with the currency, the brexit scenario is a lot harder to determine. As we know, a good proportion of FTSE revenues come from overseas, so whilst some sectors will be hit harder (retailing, house-building), others should be more insulated. Still a 15% fall is still possible, down to the 5,300 level. Again, the government.

Today's important market news

Time: GMT

09:30	Targeted LTRO
12:00	EU referendum
12:30	Chicago Fed National Activity Index
12:30	Initial Jobless Claims
13:45	Markit Manufacturing PMI
14:00	CB Leading Indicator (MoM)
14:00	New Home Sales (MoM)
14:00	New Home Sales Change (MoM)

[Source: Fxpro Broker \(Review and FOREX Rebates Up to 85%\)](#)