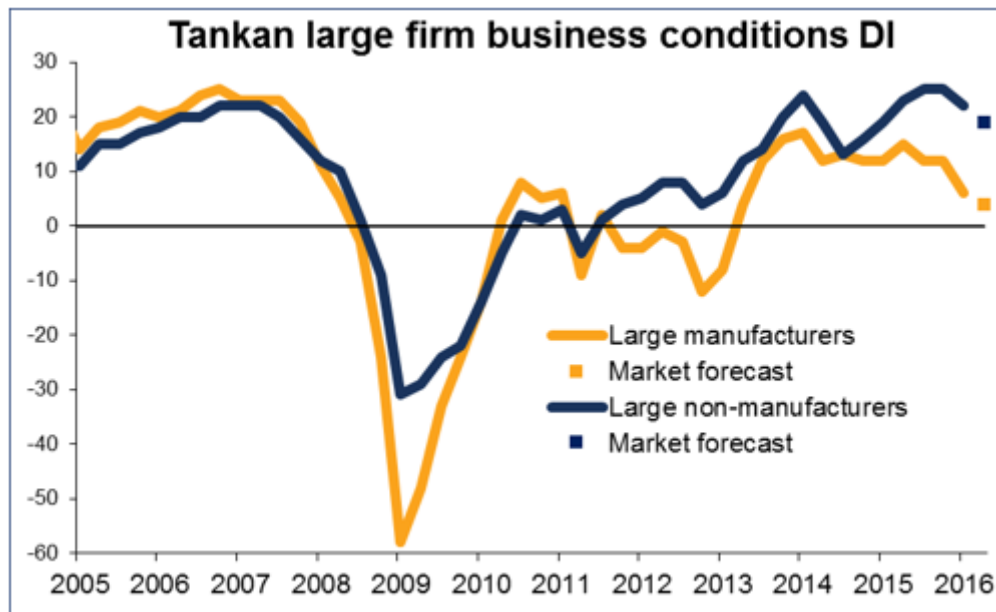


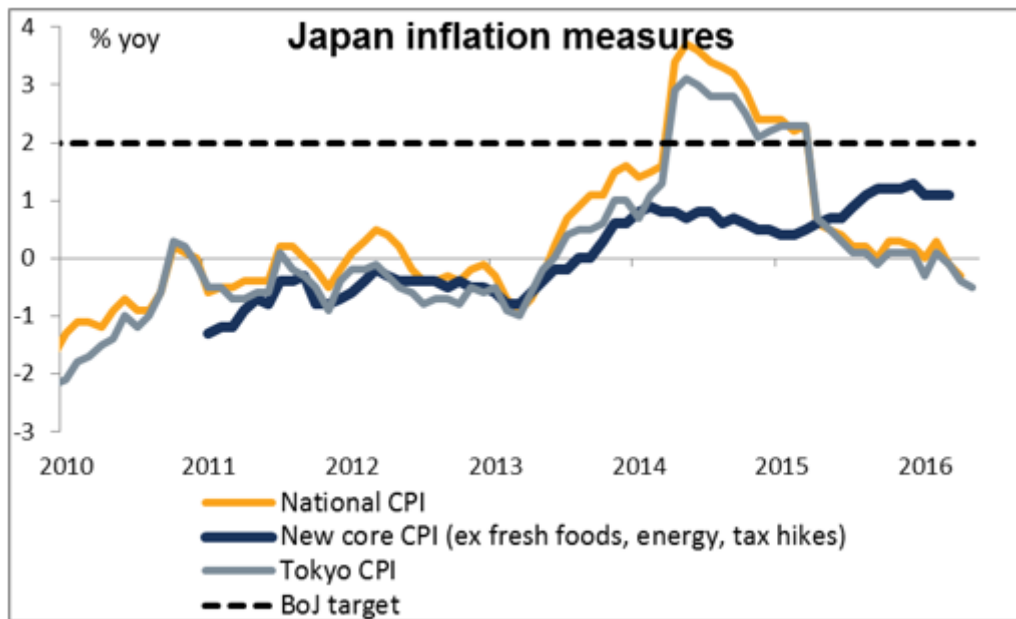
[EU CPI, Japan CPI, Japan Tankan](#) - The focus today shifts to Japan, where several important indicators are coming out overnight. The key one of course is the ***tankan***, the Bank of Japan's short-term survey of economic conditions. It's expected to show a deterioration in sentiment, both among large manufacturers and non-manufacturers. This is the natural result of the strengthening of the yen, which went from around 113 in mid-March to 106 mid-June. That might be offset to some degree by the postponement of the consumption tax hike. Companies are expected to have raised their forecast for capital spending, as is usual at this point in the Japanese fiscal year, which begins in March (usually companies start out cautious, then get more expansive as the year goes by). However, the upward revision appears to be smaller than usual.

Upcoming economic indicators and events					
Time (GMT)	Country	Indicator	Month	Expected	Previous
Thursday 30-Jun					
01:00	Australia	ANZ business confidence	Jun	n.a.	11.3
1:30	Australia	Private sector credit (mom)	May	0.5%	0.5%
1:30	Australia	Private sector credit (yoy)	May	6.7%	6.7%
06:00	Germany	Retail sales (mom)	May	0.6%	-0.3%
07:55	Germany	Unemployment change	Jun	-5k	-11k
07:55	Germany	Unemployment claims rate	Jun	6.1%	6.1%
08:30	UK	GDP (qoq)	1Q (F)	0.4%	0.4%
08:30	UK	Current account balance	1Q	-£28.0Bn	-£37.7bn
09:00	EU	CPI (yoy)	Jun	0.0%	-0.1%
09:00	EU	Core CPI (yoy)	Jun	0.8%	0.8%
12:30	US	Initial jobless claims	25-Jun	267k	259k
12:30	Canada	GDP (mom)	Apr	0.1%	-0.2%
13:45	US	Chicago PMI	Jun	51.0	49.3
17:30	US	St. Louis Fed President James Bullard speaks in London			
23:30	Japan	National CPI (yoy)	May	-0.5%	-0.3%
23:30	Japan	National Core CPI (ex food, energy) (yoy)	May	0.4%	0.5%
23:50	Japan	Tankan: Large manufacturers' DI	2Q	4	6
23:50	Japan	Tankan: Large manufacturers outlook DK	2Q	3	3
23:50	Japan	Tankan: Large all-industries capital spendir	2Q	5.6%	-0.9%
Friday 01-Jul					
01:00	China	Official manufacturing PMI	Jun	50.0	50.1
01:00	China	Official non-manufacturing PMI	Jun	n.a.	53.1
01:45	China	Caixin/Markit manufacturing PMI	Jun	49.1	49.2
05:00	Japan	National CPI ex fresh foods, energy	Jun	0.8%	0.9%

Taken as a whole, the tankan may show that companies remain cautious and concerned, and certainly this month's events won't encourage them. Net net, the survey could prove negative for the Tokyo stock market, which would tend to be - but not certainly - positive for the yen.



Of course, the opposite might happen if people think that weaker conditions make it more likely that the Bank of Japan will increase its monetary stimulus. In that respect, the **Japanese CPI**, which will be announced at the same time as the tankan, may color investors' perceptions of and reaction to the tankan. The CPI figures are expected to be bad. Japan has lots and lots of different ways of calculating inflation, but nonetheless most of them are expected to show that inflation slowed - or deflation worsened - in the latest month. **That should be JPY-negative**, especially if combined with a weak tankan.



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