

The yen rollercoaster - Today will be about waiting for the Federal Reserve decision this evening. Of course, there is no tangible chance of a change in rates, so the focus will be on the shifts in the statement and on their assessment on the outlook for policy. The last meeting saw the uncertainty surrounding the UK's Brexit vote holding the Fed back. That's now passed, even if the result was not as expected, so the focus is back on the domestic economy and whilst the latest data showed headline employment rebounding, the longer-term measures of momentum on the US labour market still suggest that activity is slowing. Overnight, the rollercoaster that is the yen has been the main focus, with the move to 104.00 level on USDJPY seen yesterday reversed overnight as reports filter through with more details of the anticipated fiscal stimulus. It was the initial announcement on this earlier this month, in the wake of the Upper House elections that sparked the initial weakening of the yen. Reports also suggest that this will be approved by the cabinet on 2nd August next week. With this confirmed, this could reduce the chances of further stimulus from the BoJ at the end of this week. Expectations are for a further cut of rates into negative territory, together with a further increase in the monthly expansion of the monetary base, but the BoJ could choose to keep its power dry and give fiscal policy the chance to work. Before then, UK GDP data is the main focus at 08:30 GMT. The economy is seen expanding 0.5% QoQ. This covers the second quarter and the period during which the economy was supposedly held back by the uncertainty of the Brexit vote at the end of June.

With a monetary easing largely priced in, the data would need to be substantially different vs. expectations if it is to have an impact on the currency.

Today's important market news

Time: GMT

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| 08:30 | Gross Domestic Product (QoQ) |
| 08:30 | Gross Domestic Product (YoY) |
| 12:30 | Durable Goods Orders ex Transportation |
| 12:30 | Durable Goods Orders |
| 14:00 | Pending Home Sales (MoM) |
| 14:00 | Pending Home Sales (YoY) |
| 18:00 | Fed's Monetary Policy Statement |
| 18:00 | Fed Interest Rate Decision |
| 23:50 | Foreign bond investment |
| 23:50 | Foreign investment in Japan stocks |

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