

[Bank of Japan](#) - Today the Bank of Japan surprisingly announced a modest monetary stimulus in an 8-1 vote, keeping rates steady at minus 0.1% and the purchase amount of Japanese government bonds was also left unchanged at an annual rate of 80 trillion yen (\$778.5 billion). Alternatively, the BoJ would enlarge the annual ETF purchases to 6 trillion yen (\$56.7 billion), from 3.3 trillion yen previously. It also doubled the size of a 4-year lending program for local companies to \$24 billion in order to underpin their overseas activities. The announcement was against market expectations of a bolder stimulus package and a further rate cut to minus 0.15%. According to surveys, about 78% of economists predicted that BoJ would implement large scale of stimulus package. BoJ alleged that the bank was forced to take a cautious stance by keeping monetary policies steady due to the post-Brexit uncertainty and an increasing global slowdown, in the hope of stopping business confidence and consumer sentiment from deteriorating. Prior to this meeting, BoJ had surprised markets twice this year by cutting rate to negative on 29th January and taking no actions on 28th April. The yen was already volatile before the announcement. After the Bank of Japan made the statement, the Japanese yen surged against the dollar. Furthermore, the dollar weakens again since this morning. USDJPY dived to 102.699 from the intra-day high of 105.602, falling by 2.75%, the lowest level since 12th July. The price bounced off after touching the support level at 103.00. The current price is still oscillating in the downtrend channel. Upside resistance at 103.90 followed by 104.60

and 105.10. The Bank of Japan Governor Kuroda stated that the central bank will revise the 2% inflation target and the effectiveness of the monetary policy at the next meeting in September, implying that further fiscal stimulus might be taken in the future.

**Today's important market news**

Time: GMT

08:30	Consumer Credit
08:30	Mortgage Approvals
09:00	Gross Domestic Product s.a. (QoQ)
09:00	Gross Domestic Product s.a. (YoY)
09:00	Unemployment Rate
09:00	Consumer Price Index - Core (YoY)
09:00	Consumer Price Index (YoY)
10:30	Interest rate decision
12:30	Gross Domestic Product Price Index
12:30	Gross Domestic Product Annualized
12:30	Personal Consumption Expenditures Prices (QoQ)
12:30	Core Personal Consumption Expenditures (QoQ)
12:30	Gross Domestic Product (MoM)
13:45	Chicago Purchasing Managers' Index
17:00	Baker Hughes US Oil Rig Count
20:00	Bank Stress Test Info

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