

2010-04-12_ASIA DAILY FOREX OUTLOOK - Majors

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SINGAPORE (Dow Jones)--Following are expected trading ranges and outlooks for nine major currency pairs today:

	Immediate Range	Larger Range
USD/JPY	92.81-93.78	92.26-94.26
EUR/USD	1.3525-1.3817	1.3338-1.3839
AUD/USD	0.9330-0.9405	0.9295-0.9500
NZD/USD	0.7140-0.7197	0.7062-0.7290
GBP/USD	1.5313-1.5575	1.5264-1.5762
USD/CHF	1.0532-1.0667	1.0488-1.0765
USD/CAD	0.9988-1.0083	0.9972-1.0104
EUR/JPY	125.80-127.35	124.65-127.91
EUR/GBP	0.8784-0.8859	0.8704-0.8879

(Ranges are calculated using recent high and lows, information on the placement of option strikes, and technical analysis - Fibonacci levels, trendlines and moving averages.)

USD/JPY - to consolidate amid broadly weak USD undertone as improved risk sentiment on EU-IMF bailout package for debt-strapped Greece as well as Wall Street's gains Friday (DJIA ended up 0.64% at 18-month closing high) spur flows away from safe-haven USD. USD/JPY also undermined by Japan exporter sales, lower U.S. Treasury yields. But USD/JPY downside limited by USD demand for import settlements, JPY-funded carry trades amid lower risk aversion. Data focus: 2350 GMT Japan March M2 money stock, March bank lending, BOJ meeting minutes, 1800 GMT U.S. March federal budget balance. USD/JPY daily chart negative-biased as stochastics bearish, MACD staging bearish crossover against its exponential moving average. Support at 92.81 (Thursday's low); breach would expose downside to 92.26 (50% Fibonacci correction of 89.74-94.78 March 18-April 5 advance), then 92.10 (March 30 low), 91.74 (March 25 low) and 91.66 (61.8% correction). Resistance at 93.78 (Friday's high); breach would expose upside to 94.26 (Wednesday's high), then 94.37 (Tuesday's high), 94.78 (April 5 high) and 95.00-95.06 band (psychological level-Aug. 24 reaction high, roughly matching 61.8% Fibonacci retracement of decline from April 6, 2009 high of 101.45 to Nov. 27, 2009 low of 84.81).

EUR/USD - to trade with risks skewed higher. Pair underpinned by EU-IMF bailout package for debt-laden Greece, EUR demand for long-EUR carry trades on improved risk appetite. EUR sentiment also boosted by 5.1% surge in German February exports, while German current-account surplus rose to EUR9.1 billion from January's EUR4.4 billion, well above forecast for EUR6.5 billion. EUR/USD daily chart positive-biased as MACD & stochastics turned bullish. Resistance at 1.3817 (March 17 reaction high); breach would target 1.3839 Feb. 9 reaction high), then 1.3983 (38.2% Fibonacci correction of 1.5144-1.3265 Nov. 25-March 25 decline) and 1.4026 (Feb. 3 reaction high). Support at 1.3525 (hourly chart); breach would expose downside to 1.3338 (Friday's low), then 1.3278 (Thursday's low) and 1.3265 (10-month low hit March 25).

AUD/USD - to consolidate with positive bias. Pair underpinned by spillover from EUR strength, AUD demand for long-AUD carry trades on stronger investor risk appetite, firmer commodity prices (CRB spot index closed up 0.88 Friday at 276.13), divergent Fed-RBA monetary policies. But Aussie gains tempered by China's customs agency data released Saturday showing China ran its first monthly trade deficit in 6 years in March. Data focus: 0130 GMT Australia February housing finance. AUD/USD daily chart positive-biased as MACD &

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stochastics bullish, although latter at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at 0.9405 (Nov. 16 top); breach would expose upside to psychological 0.9500 level. Support at 0.9330 (previous cap set Jan. 14); breach would target 0.9295 (hourly chart), then 0.9264 (Friday's low), 0.9221 (Thursday's low) and 0.9163 (Tuesday's low).

NZD/USD - to trade with bullish bias. Pair underpinned by spillover from EUR strength, NZD demand for long-NZD carry trades on higher risk appetite, firmer commodity prices. NZD/USD daily chart positive-biased as stochastics in bullish mode, MACD turned bullish, bullish parabolic stop-and-reverse signal hit at 0.7126 Friday. Resistance at 0.7197 (61.8% Fibonacci retracement of 0.7441-0.6803 Jan. 14-Feb. 5 decline); breach would expose upside to 0.7290 (76.4% retracement), then 0.7441 (Jan. 14 top). Support at 0.7140 (hourly chart); breach would expose downside to 0.7062 (Friday's low), then 0.7003 (Thursday's low), 0.6967-0.6961 band (Tuesday's low-March 11 reaction low) and 0.6847 (March 4 reaction low).

GBP/USD - to trade with risks skewed higher. Pair underpinned by improved investor risk sentiment, spillover from EUR strength, latest opinion poll (published late Friday) showing Conservative Party's lead over Labour has risen to 10 percentage points, which reduces odds of hung UK parliament after May 6 general elections; 22-month-high 0.9% surge in UK March output producer prices. But GBP/USD gains tempered by continued concerns over weak UK fiscal situation. GBP/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.5575 (Feb. 23 reaction high); breach would expose upside to 1.5762 (100-day moving average), then 1.5816 (Feb. 17 reaction high). Support at 1.5313 (hourly chart), then at 1.5264 (Friday's low); breach would temper near-term positive outlook, exposing downside to 1.5126 (Tuesday's reaction low), then 1.5041 (March 31 low) and 1.4972 (March 30 low).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by broadly weaker USD undertone; but downside limited by short-CHF carry trades on stronger investor risk tolerance, fears of more CHF-selling FX intervention by SNB. Daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 1.0532 (April 2 low); breach would expose downside to 1.0488 (100-day moving average), then 1.0467 (200-day moving average) and 1.0431 (April 1 reaction low). Resistance at 1.0667 (55-day moving average); breach would expose upside to 1.0765 (Friday's high), then 1.0786-1.0794 band (Thursday's-March 10 highs), 1.0809 (March 5 high) and 1.0889-1.0898 band (March 2-Feb. 19 highs).

USD/CAD - to range-trade. Pair undermined by positive investor risk sentiment, weak global USD. But USD/CAD downside limited by disappointing Canada March employment data: jobs increased by only 17,900 vs +26,000 expected, while unemployment rate unchanged at 8.2% vs forecast for drop to 8.1%. Data focus: 1215 GMT Canada March housing starts. USD/CAD daily chart mixed as MACD bearish, but stochastics bullish at oversold. Support at 0.9988 (Friday's low), then at 0.9972 (July 15, 2008 reaction low); breach would expose downside to 0.9816 (May 21, 2008 reaction low). Resistance at 1.0083 (Friday's high), then at 1.0104 (Thursday's high, roughly matching 31.8% Fibonacci correction of 1.0302-0.9974 March 26-April 7 decline); breach would target 1.0129 (April 2 high), then 1.0138 (50% correction), 1.0161 (April 1 high), 1.0177 (61.8% correction) and 1.0200 (March 31 high).

EUR/JPY - to consolidate with risks skewed higher. Cross supported by carry trades amid positive risk sentiment, diminished worries over Greek debt woes. EUR/JPY daily chart positive-biased as MACD in bullish mode, stochastics turning bullish. Resistance at 127.35 (Tuesday's high); breach would expose upside to 127.91 (April 2 high), then 128.36 (Jan. 26 reaction high), 128.75 (61.8% Fibonacci correction of 134.39-119.63 Jan. 11-Feb. 25 decline) and psychological 130.00. Support at 125.80 (hourly chart); breach would expose downside to 124.65 (Friday's low), then 123.41 (Thursday's low), 122.96 (March 26 low) and 122.41 (uptrend line from March 2 low of 119.73).

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EUR/GBP - to trade with bullish bias after rebounding strongly from 7-week low of 0.8704 Friday. Cross boosted by news of EU-IMF bailout package for debt-laden Greece. Daily chart positive-biased as stochastics turned bullish at oversold, negative MACD histogram bars contracting, bullish hammer candlestick pattern completed Friday, bullish parabolic stop-and-reverse signal hit at 0.8821 this morning. Resistance at 0.8859 (April 5 high & Tuesday's high, near 55-day moving average); breach would target 0.8879 (200-day moving average), then 0.8902 (100-day moving average) and 0.8945 (March 31 high). Support at 0.8784 (hourly chart); breach would expose downside to 0.8704 (Friday's low), then 0.8661-0.8656 band (Feb. 18-Feb. 12 lows) and 0.8593 (Jan. 28 trough).

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