

ASIA DAILY FOREX OUTLOOK - Majors

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

	Immediate Range	Larger Range
USD/JPY	85.66-86.11	85.00-86.66
EUR/USD	1.3143-1.3261	1.3051-1.3342
AUD/USD	0.9068-0.9149	0.9042-0.9193
NZD/USD	0.7294-0.7355	0.7258-0.7395
GBP/USD	1.5859-1.5968	1.5694-1.6000
USD/CHF	1.0344-1.0414	1.0127-1.0477
USD/CAD	1.0216-1.0273	1.0201-1.0298
EUR/JPY	113.09-114.22	112.69-114.73
EUR/GBP	0.8268-0.8315	0.8252-0.8325

(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 with bearish bias after hitting 8-month low of 85.66 yesterday amid negative USD sentiment (ICE dollar index last 80.608 vs Monday's 80.938 settlement) as expectations increased for further quantitative easing by U.S. Federal Reserve at its Aug. 10 meeting, Fed Chairman Bernanke's warned there's "considerable way to go" before U.S. achieves full economic recovery - underscored by slew of disappointing data: bigger-than-expected 1.2% drop in U.S. June factory orders (vs minus 0.5% forecast), surprise 2.6% decline in U.S. June pending home sales (vs flat forecast) and weaker-than-expected U.S. June personal income (flat vs +0.2% forecast) & spending (flat vs +0.1% forecast). USD/JPY also undermined by lower U.S. Treasury yields, Japan exporter sales, unwinding of JPY-funded carry trades on higher investor risk aversion (CBOE volatility index VIX rose 2.82% to 22.63), Wall Street losses (DJIA off 0.36%, Nasdaq off 0.52%) on disappointing corporate earnings and economic data; diminished fears about intervention against further yen strength after Japanese finance minister Noda yesterday signaled action unlikely in short term. But USD/JPY losses tempered by USD demand for import settlements. Data focus: 2315 GMT Japan July services PMI, 1215 GMT U.S. July ADP national employment report, 1400 GMT U.S. July ISM non-manufacturing PMI. USD/JPY daily chart negative-biased as MACD & stochastics bearish, although latter at oversold, suggesting sideways or lower USD/JPY trading near-term. Support at 85.66 (yesterday's low); breach would expose downside to psychological 85.00, then 84.81 (Nov. 27 bottom). Resistance at 86.11 (hourly chart), then at 86.66 (yesterday's high) and 86.88-86.93 band (Monday's high-Friday's high); breach would expose upside to 87.51 (Thursday's high), then 88.11 (July 28 high), 88.43 (July 15 high) and 89.11-89.15 band (July 14 high-July 12 high).

EUR/USD - to consolidate with positive bias after hitting 3-month high of 1.3261 yesterday amid weak USD sentiment, easing concerns over euro-zone's sovereign-debt crisis & region's banking sector; but gains tempered by unwinding of long-EUR carry trades on higher risk aversion. Data focus: 0755 GMT German July services PMI, 0800 GMT euro-zone July services PMI, 0900 GMT euro-zone June retail trade. EUR/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher EUR/USD trading near-term. Resistance at 1.3261 (yesterday's high); breach would expose upside to 1.3342 (April 30 reaction high), then 1.3510 (50% Fibonacci correction of 1.5144-1.1875 Nov. 25-June 7 decline) and 1.3560 (200-day moving average). Support at 1.3143 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.3051 (Monday's low), then 1.2978 (Friday's low), 1.2949 (July 27 low), 1.2874 (July 26 low) and 1.2791 (July 23 low).

AUD/USD - to consolidate with bullish bias after hitting fresh 3-month high of 0.9149 yesterday. Pair underpinned by weak USD sentiment; but gains tempered by unwinding of long-AUD carry trades on heightened

risk aversion, lingering effect from yesterday's weaker-than-expected Australia June retail trade & building construction data. Data focus: 0130 GMT Australia June international trade in goods & services, 2Q house price indexes (eight capital cities), 0200 GMT July VFACTS vehicle sales. AUD/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at 0.9149 (Monday's high); breach would expose upside to 0.9193 (top-line of rising wedge pattern formed with July 6 low of 0.8315 & July 8 high of 0.8791), then 0.9324 (April 30 reaction high) and 0.9382 (April 12 top). Support at 0.9068 (yesterday's low), then at 0.9042 (Monday's low) and 0.9028 (baseline of wedge); breach would expose downside to 0.8963 (Friday's low), then 0.8902-0.8894 band (July 28 low-July 23 low), 0.8871 (previous cap set July 14) and 0.8857 (100-day moving average).

NZD/USD - to consolidate with bullish bias. Pair underpinned by weak USD sentiment; but gains tempered by unwinding of long-NZD carry trades on stronger risk aversion. NZD/USD daily chart positive-biased as MACD & stochastics in bullish mode. Resistance at 0.7355 (yesterday's high); breach would expose upside to 0.7395 (6-month high set July 27), then 0.7441 (Jan. 14 reaction high) and 0.7521 (Nov. 16, 2009 reaction high). Support at 0.7294 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.7258 (Monday's low), then 0.7186 (Friday's low), 0.7102 (200-day moving average), 0.7092 (July 22 low) and 0.7027 (July 19 reaction low).

GBP/USD - to consolidate with bullish bias after hitting 6-month high of 1.5968 yesterday. GBP/USD supported by broad-based USD weakness, M&A flows; but gains tempered by negative investor risk sentiment, drop in UK construction PMI to 54.1 in July from 58.4 in June, lingering concerns over negative impact of fiscal consolidation on UK economy. Data focus: 0830 GMT UK July CIPS services PMI, UK July official reserves. GBP/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.5968 (yesterday's high); breach would expose upside to psychological 1.6000, then 1.6069 (Feb. 3 reaction high) and 1.6276 (Jan. 28 high). Support at 1.5859 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.5694 (Monday's low), then 1.5549-1.5543 band (Friday's low-July 28 low, near 200-day moving average), 1.5440 (July 27 low) and 1.5407 (July 26 low).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by broadly weak USD undertone, unwinding of short-CHF carry trades on higher risk aversion. But CHF sentiment dented by weaker-than-expected Swiss July CPI (rose 0.4% on year vs forecast for +0.7%). Daily chart mixed as stochastics bearish, 5-day moving average below 15-day and falling; but MACD still in bullish mode, spinning-top candlestick pattern completed yesterday. Support at 1.0344 (yesterday's low, matching Monday's low); breach would expose downside to 1.0127 (Jan. 11 reaction low), then parity. Resistance at 1.0414 (yesterday's high); breach would expose upside to 1.0477 (Monday's high), then 1.0579 (Thursday's high), 1.0622 (July 28 high), 1.0640 (July 27 high, near 200-day moving average) and 1.0675 (July 12 reaction high).

USD/CAD - to consolidate with risks skewed lower. Pair undermined by weaker global USD, buoyant oil prices (Nymex crude settled up \$1.21 yesterday at \$82.55/bbl); but losses tempered by decreased investor risk appetite. USD/CAD daily chart negative-biased as MACD & stochastics in bearish mode, although latter oversold, inside-day-range pattern completed yesterday. Support at 1.0216 (yesterday's low), then at 1.0201 (Monday's low); breach would target 1.0178 (June 22 low), then 1.0133 (June 21 reaction low), 1.0105 (May 13 reaction low) and 1.0010 (April 29 low). Resistance at 1.0273 (yesterday's high); breach would temper near-term negative outlook, targeting 1.0298 (Monday's high), then 1.0375 (Friday's high), 1.0392-1.0395 band (Thursday's high-July 27 high), 1.0434 (July 23 high) and 1.0503 (July 22 high).

EUR/JPY - to consolidate with risks skewed lower. Cross weighed by unwinding of carry trades amid weaker investor risk appetite. Daily chart mixed as MACD bullish, but stochastics bearish near overbought, inside-day-range pattern completed yesterday. Support at 113.09 (yesterday's low); breach would target 112.69 (Monday's

low), then 111.99 (Friday's low), 111.55 (July 23 low) and 110.02 (July 22 low). Resistance at 114.13-114.22 band (yesterday's high-Thursday's high); breach would expose upside to 114.73 (July 28 high), then 115.49 (May 18 high) and 116.70 (100-day moving average).

EUR/GBP - to consolidate. Daily chart mixed as MACD bearish, but stochastics turning bullish at oversold, inside-day-range pattern completed yesterday. Resistance at 0.8315 (yesterday's high), then at 0.8325 (Monday's high); breach would expose upside to 0.8379 (Friday's high), then 0.8395 (Thursday's high), 0.8415 (July 27 high) and 0.8466 (July 22 high). Support at 0.8268 (yesterday's low), then at 0.8252 (Monday's low); breach would reinstate near-term negative bias, targeting 0.8215 (July 2 low), then 0.8163 (July 1 low) and 0.8065 (June 29 trough).