

# 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	85.17-85.91	84.87-86.28
EUR/USD	1.2661-1.2771	1.2604-1.2832
AUD/USD	0.8839-0.8941	0.8796-0.9018
NZD/USD	0.6993-0.7082	0.6882-0.7156
GBP/USD	1.5460-1.5597	1.5325-1.5672
USD/CHF	1.0284-1.0394	1.0254-1.0465
USD/CAD	1.0415-1.0513	1.0378-1.0586
EUR/JPY	108.22-109.62	107.30-110.12
EUR/GBP	0.8168-0.8248	0.8065-0.8282

(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 broad-based USD strength (ICE spot dollar index settled up 0.74% Friday at 83.057, last 83.02) as worries persist over health of global economy. USD/JPY supported by higher U.S. Treasury yields, USD demand for import settlements, continuing fears of Japan FX intervention, anticipation of additional easing by BOJ to cap yen's recent strength, receding risk aversion (VIX fear gauge down 3.59% at 25.49) after U.S. stocks pared losses Friday to close mixed (DJIA off 0.56%, Nasdaq up 0.04%). But USD/JPY gains tempered by Japan exporter sales, ultra-loose U.S. monetary policy. Data focus: 1230 GMT July Chicago Fed national activity index. USD/JPY daily chart mixed as MACD & stochastics in bullish mode, but 5-day moving average meandering sideways; inside-day-range pattern completed Friday. Resistance at 85.85-85.91 band (Friday's high-Thursday's high); breach would expose upside to 86.28 (Aug. 16 high), then 86.39 (Aug. 13 high), 86.49 (Aug. 5 high) and 86.93 (July 30 high). Support at 85.17 (Friday's low), then at 84.87 (Thursday's low); breach would target 84.71 (15-year low set Aug. 11) - below which would open way down to psychological round-numbered levels from 84.00 down to 80.00, then 79.70 (record low set April 19, 1995).

EUR/USD - to consolidate with risks skewed lower. Pair undermined by broad-based USD strength; dovish comments from Deutsche Bundesbank President Weber in interview with Bloomberg TV Friday suggesting ECB monetary policy should remain loose until next year. Data focus: 0730 GMT German August flash PMI, 0800 GMT euro-zone August flash PMI, 1400 GMT euro-zone August flash consumer confidence. EUR/USD daily chart negative-biased as MACD & stochastics bearish, although latter at oversold, suggesting sideways or lower EUR/USD trading near-term. Support at 1.2661 (Friday's low); breach would expose downside to 1.2604 (50% Fibonacci correction of advance from June 7 low of 1.1875 to Aug. 3 high of 1.3333), then 1.2520 (July 13 reaction low) and 1.2478 (July 6 low). Resistance at 1.2771 (hourly chart); breach would expose upside to 1.2832 (Friday's high), then 1.2902 (Thursday's high), 1.2923-1.2932 band (Wednesday's high-Aug. 12 high) and psychological 1.3000.

AUD/USD - to consolidate with bearish bias. Pair undermined by disappointment over first hung Australian parliament in 70 years after Saturday's election, broad-based USD strength, weaker commodity prices (CRB spot index ended down 1.24 Friday at 267.01). But AUD/USD losses tempered by Aussie-U.S. yield gap. AUD/USD daily negative-biased as MACD & stochastics in bearish mode. Support at 0.8839 (Friday's low, matching 100-day moving average); breach would expose downside to 0.8796 (55-day moving average), then 0.8779 (38.2% Fibonacci retracement of advance from May 25 low of 0.8065 to Aug. 6 high of 0.9221), 0.8735 (July 22 low) and 0.8643 (50% retracement). Resistance at 0.8941 (Friday's high); breach would expose upside to 0.9018 (Thursday's high), then 0.9058 (Wednesday's high), 0.9082 (Tuesday's high) and 0.9166 (Aug. 10 high).

NZD/USD - to consolidate with bearish bias. Pair undermined by broad-based USD strength, weaker commodity prices, contagion from weak AUD. But NZD/USD losses tempered by Kiwi-U.S. yield advantage. Data focus: 0300 GMT NZ July credit card statistics. NZD/USD daily chart negative-biased as MACD & stochastics in bearish mode. Support at 0.6999-0.6993 band (Friday's low-Aug. 16 low); breach would expose downside to 0.6882 (July 7 low), then 0.6821 (July 6 reaction low) and 0.6791 (July 1 reaction low). Resistance at 0.7082 (Friday's high); breach would expose upside to 0.7156 (Thursday's high), then 0.7192 (Wednesday's high), 0.7246 (Aug. 11 high) and 0.7291 (Aug. 10 high).

GBP/USD - to consolidate. Pair supported by recent slew of upbeat UK data; but topside limited by broad-based USD strength, lingering concerns over negative impact of fiscal tightening on UK economic growth. GBP/USD daily chart still negative-biased as MACD & stochastic bearish, but latter at oversold. Support at 1.5460 (Friday's low); breach would expose downside to 1.5325 (38.2% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002), then 1.5272 (55-day moving average) and 1.5123 (July 21 reaction low, matching 100-day moving average and 50% correction). Resistance at 1.5597 (Friday's high); breach would expose upside to 1.5672 (Thursday's high), then 1.5688 (Wednesday's high), 1.5707 (Aug. 16 high) and 1.5866 (Aug. 11 high).

USD/CHF - to consolidate, supported by broad-based USD strength. Daily chart still negative-biased as MACD & stochastics in bearish mode, although inside-day-range pattern completed Friday. Resistance at 1.0394 (Friday's high); breach would expose upside to 1.0465 (Thursday's high), then 1.0534 (Aug. 16 high), 1.0551 (Aug. 13 high) and 1.0626 (Aug. 11 high). Support at 1.0284 (Friday's low), then at 1.0254 (Thursday's low); breach would expose downside to 1.0127 (Jan. 11 reaction low), then parity, 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough).

USD/CAD - to consolidate with bullish bias. Pair underpinned by stronger global USD, lower-than-expected Canada July core CPI (up 1.6% on year vs +1.8% forecast), softer commodity & oil prices (Nymex September crude, which expired Friday, settled down 97 cents at \$73.46/bbl; more actively traded October crude settled down 95 cents at \$73.82). USD/CAD daily chart positive-biased as MACD & stochastics in bullish mode. Resistance at 1.0513 (Friday's high); breach would target 1.0586 (July 20 reaction high), then 1.0677 (July 6 reaction high) and 1.0851 (May 25 reaction high). Support at 1.0415 (hourly chart); breach would expose downside to 1.0378 (Friday's low), then 1.0241 (Thursday's low), 1.0141 (Aug. 6 low) and 1.0102 (Aug. 5 reaction low).

EUR/JPY - to range-trade. Cross undermined by weak EUR sentiment. Daily chart still negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower EUR/JPY trading near-term. Support at 108.22 (Friday's low); breach would expose downside to 107.30 (9-year low set June 29), then 106.76 (Nov. 8, 2001 reaction low). Resistance at 109.62 (Friday's high); breach would expose upside to 110.12 (Thursday's high), then 110.39-110.43 band (Wednesday's high-Tuesday's high), 111.12 (Aug. 13 high) and 111.42 (55-day moving average).

EUR/GBP - to trade with risks skewed lower. Daily chart negative-biased as MACD bearish, stochastics revert to bearish mode at oversold. Support at 0.8168 (Aug. 13 low); breach would expose downside to 0.8065 (19-month low when hit June 29), then psychological 0.8000. Resistance at 0.8248 (Thursday's high); breach would expose upside to 0.8282 (Wednesday's high), then 0.8300 (55-day moving average), 0.8321 (Aug. 11 high) and 0.8364 (Aug. 10 reaction high).