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	84.05-84.66	83.58-85.06
EUR/USD	1.2757-1.2855	1.2661-1.2870
AUD/USD	0.9030-0.9116	0.8910-0.9166
NZD/USD	0.7050-0.7140	0.6983-0.7156
GBP/USD	1.5335-1.5491	1.5325-1.5580
USD/CHF	1.0060-1.0185	1.0000-1.0263
USD/CAD	1.0481-1.0600	1.0469-1.0656
EUR/JPY	107.06-108.60	106.55-109.62
EUR/GBP	0.8244-0.8327	0.8224-0.8336

(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 bullish bias. Pair underpinned by JPY-funded carry trades amid positive risk sentiment (VIX fear gauge down 8.29% at 23.89), strong Wall Street gains overnight (DJIA up 2.54%, S&P up 2.95%) after surprise rise in U.S. ISM manufacturing PMI to 56.3 in August from 55.5 in July (vs expected drop to 52.5) added to positive sentiment from yesterday's stronger-than-expected China August manufacturing PMI and Australia 2Q GDP data. USD/JPY also supported by USD demand for import settlements, higher U.S. Treasury yields; Japanese PM challenger Ozawa's pledge to use intervention to curb JPY strength. But USD/JPY gains tempered by Japan exporter sales, worse-than-expected U.S. July construction spending (fell 1% to lowest level in 10 years, vs 0.5% drop expected) & U.S. August ADP employment report (private-sector jobs fell 10,000 instead of rising 17,000 as expected), caution before tomorrow's U.S. August non-farm payrolls & unemployment data. Data focus: 2350 GMT Japan August monetary base, 1230 GMT U.S. August 28 weekly jobless claims, U.S. 2Q revised non-farm productivity & unit labor costs, 1305 GMT Fed's Pianalto and Rosengren speak, 1400 GMT U.S. July pending home sales. USD/JPY daily chart mixed as MACD flat, stochastics still in bearish mode. Resistance at 84.66 (yesterday's high, matching Tuesday's high); breach would expose upside to 85.06 (hourly chart), then 85.92 (Monday's high), 86.39 (Aug. 13 high) and 86.90 (55-day moving average). Support at 84.05 (hourly chart), then at 83.67-83.58 band (yesterday's low-Aug. 24); breach would expose downside to psychological round-numbered levels from 83.00 down to 80.00, then 79.70 (record low set April 19, 1995).

EUR/USD - to consolidate with risks skewed higher. Pair supported by improved investor risk sentiment, smaller-than-expected drop in euro-zone August manufacturing PMI to 55.1 from 56.7 in July (vs 55.0 forecast). But EUR/USD gains tempered by lingering worries over negative effects of austerity measures on economies of peripheral euro-zone nations, potential threat to Hungarian financial system as forint hovers near all-time low against CHF. Data focus: 0900 GMT euro-zone July PPI, euro-zone 2Q GDP, 1145 GMT ECB interest rate decision (central bank expected to stay pat on rates, markets watching if ECB indicates it will maintain its policy of providing unlimited liquidity at its 3-month refinancing tender in October), 1230 GMT ECB Governing Council meeting press conference. EUR/USD daily chart mixed as MACD bearish, but stochastics bullish rising from oversold, bullish parabolic stop-and-reverse signal hit at 1.2769 yesterday. Resistance at 1.2855 (yesterday's high); breach would target 1.2870 (38.2% Fibonacci correction of 1.3333-1.2584 Aug. 6-Aug. 24 decline), then 1.2923 (Aug. 18 high), 1.2959 (50% correction), psychological 1.3000 and 1.3047 (61.8% correction). Support at 1.2757 (hourly chart); breach would expose downside to 1.2661 (yesterday's low), then 1.2623 (Tuesday's low), 1.2603 (Aug. 25 low) and 1.2584 (Aug. 24 low).

AUD/USD - to trade with bullish bias. Pair underpinned by AUD demand for long-AUD carry trades on increased investor risk appetite, stronger commodity prices (CRB spot index settled up 4.32 yesterday at 268.51), increased expectations of further rate hikes by RBA after yesterday's stronger-than-expected Australia 2Q GDP data. But AUD/USD gains tempered by political uncertainty in Australia, caution before tomorrow's U.S. August employment data. Data focus: 0130 GMT Australia July international trade in goods & services. AUD/USD daily chart positive-biased as stochastics rising from oversold, MACD stages bullish crossover against its exponential moving average. Resistance at 0.9116 (yesterday's high); breach would expose upside to 0.9166 (Aug. 10 high), then 0.9221 (Aug. 6 high) and 0.9324 (April 30 reaction high). Support at 0.9030 (previous cap set Monday); breach would expose downside to 0.8910 (yesterday's low), then 0.8858 (Tuesday's low), 0.8842 (Friday's low) and 0.8829 (Aug. 26 low).

NZD/USD - to consolidate with bullish bias. Pair underpinned by NZD demand for long-NZD carry trades on stronger investor risk appetite, firmer commodity prices. But NZD/USD gains tempered by caution before tomorrow's U.S. August jobs data. NZD/USD daily chart positive-biased as stochastics still in bullish mode, 5-day moving average staged bullish crossover against 15-day. Resistance at 0.7140 (Friday's high), then at 0.7156 (Aug. 19 high); breach would target 0.7192 (Aug. 18 high), then 0.7246 (Aug. 11 high) and 0.7344 (Aug. 6 high). Support at 0.7050 (hourly chart); breach would expose downside to 0.6983 (yesterday's low), then 0.6962 (Tuesday's low), 0.6944 (Aug. 25 low) and 0.6882 (July 7 low).

GBP/USD - to consolidate with risks skewed higher. Pair supported by positive investor risk sentiment; but gains tempered by bigger-than-expected drop in UK August manufacturing PMI to 54.3 from downwardly revised 56.9 in July (vs 56.7 expected), lingering concerns over negative impact of fiscal tightening on UK economic growth, caution before tomorrow's U.S. August employment data. Data focus: 0600 GMT UK August Nationwide housing review, 0830 GMT UK August CIPS construction PMI. GBP/USD daily chart mixed as MACD bearish, but stochastics turning bullish at oversold. Resistance at 1.5491 (yesterday's high); breach would expose upside to 1.5580 (Monday's high), then 1.5597 (Aug. 26 high), 1.5620 (Aug. 23 high) and 1.5672 (Aug. 19 high). Support at 1.5335 (yesterday's low), then at 1.5325 (Tuesday's low, coinciding with 38.2% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002); breach would expose downside to 1.5123 (July 21 reaction low, matching 100-day moving average and 50% correction), then psychological 1.5000 and 1.4946 (July 12 reaction low).

USD/CHF - to consolidate with risks skewed higher after hitting 9-month low of 1.0060 yesterday. Pair supported by short-CHF carry trades on improved investor risk appetite, worse-than-expected drop in Swiss August manufacturing PMI to 61.4 from 66.9 in July (vs 65.9 expected), CHF sales on rebounding EUR/CHF cross; but gains tempered by caution before tomorrow's U.S. August employment data. Data focus: 0545 GMT Swiss 2Q GDP, 0715 GMT Swiss July retail sales. Daily chart mixed as MACD bearish, but stochastics turning bullish at oversold. Resistance at 1.0185 (yesterday's high); breach would expose upside to 1.0263 (Tuesday's high), then 1.0315 (Monday's high), 1.0328 (Aug. 25 high), 1.0452 (Aug. 24 high) and 1.0465 (Aug. 19 high). Support 1.0060 (yesterday's low); breach would expose downside to parity, then 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough).

USD/CAD - to consolidate with risks skewed lower. Pair undermined by increased investor risk appetite, stronger commodity & oil prices (Nymex crude settled up $1.99 yesterday at $73.91). But USD/CAD losses tempered by caution before tomorrow's U.S. August employment data, reduced expectations of BOC rate hike at its Sept. 8 meeting. USD/CAD daily chart mixed as MACD bullish, but stochastics turning bearish at overbought. Support at 1.0481 (yesterday's low), then at 1.0469 (Monday's low) and 1.0441 (Aug. 23 low); breach would expose downside to 1.0378 (Aug. 20 low), then 1.0241 (Aug. 19 low). Resistance at 1.0600 (hourly chart); breach would expose upside to 1.0656 (yesterday's high), then 1.0672-1.0677 band (Tuesday's high-July 6 reaction high), 1.0851 (May 25 reaction high) and 1.0869 (Nov. 2 reaction high).

EUR/JPY - to trade with risks skewed higher. Cross supported by stronger investor risk appetite; but gains tempered by caution before tomorrow's U.S. August employment data. Daily chart mixed as MACD in bearish mode, but stochastics rising from oversold. Resistance at 108.60 (yesterday's high); breach would expose upside to 109.55-109.62 band (Monday's high-Aug. 20 high), then 110.12 (Aug. 19 high) and 110.43 (Aug. 17 high). Support at 107.06 (hourly chart); breach would expose downside to 106.55 (yesterday's low), then 106.14 (Tuesday's low), 105.90 (Aug. 25 low), and 105.44 (9-year low set Aug. 24).

EUR/GBP - to trade with bullish bias. Daily chart positive-biased as MACD & stochastics in bullish mode, 5-day moving average above 15-day MA and rising. Resistance at 0.8327 (yesterday's high), then at 0.8336 (50% Fibonacci correction of 0.8532-0.8139 July 19-Aug. 23 decline); breach would target 0.8364 (Aug. 10 reaction high), then 0.8382 (61.8% correction), 0.8391 (100-day moving average) and 0.8415 (July 27 high). Support at 0.8244 (yesterday's low), then at 0.8224 (hourly chart); breach would expose downside to 0.8169 (Tuesday's low), then 0.8152 band (Aug. 26 low), 0.8139 (Aug. 23 low) and 0.8065 (19-month low when hit June 29).