

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	83.32-84.04	83.00-84.26
EUR/USD	1.2658-1.2763	1.2623-1.2876
AUD/USD	0.9132-0.9194	0.9089-0.9221
NZD/USD	0.7155-0.7239	0.7126-0.7257
GBP/USD	1.5410-1.5533	1.5341-1.5580
USD/CHF	1.0058-1.0148	1.0000-1.0183
USD/CAD	1.0333-1.0445	1.0241-1.0509
EUR/JPY	105.75-107.12	105.44-108.37
EUR/GBP	0.8200-0.8272	0.8169-0.8288

(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 risks skewed higher after hitting fresh 15-year low of 83.34 on EBS yesterday. Pair underpinned by JPY-funded carry trades amid positive risk sentiment (VIX fear gauge down 2.31% at 23.25), modest Wall Street gains overnight (DJIA up 0.45%, Nasdaq up 0.9%) as encouraging developments in Europe's banking sector offset latest U.S. Beige Book indicating economic expansion was continuing "with widespread signs of a deceleration compared with preceding periods", speech by President Obama acknowledging recovery "has been painfully slow". USD/JPY also supported by USD demand for import settlements, higher U.S. Treasury yields. But USD/JPY gains tempered by Japan exporter sales, fading expectations of Japan MOF yen-selling intervention in near term despite warning from Japanese Finance Minister Noda that intervention remains possible - many believe there will be no intervention until at least Sept. 14 when leadership of Japan's ruling party is decided. Data focus: 2350 GMT Japan 3Q business outlook survey, 0600 GMT Japan August preliminary machine tool orders, 1230 GMT U.S. July international trade, Sep 4 weekly jobless claims. USD/JPY daily chart mixed as MACD flat, stochastics in bearish mode near oversold. Resistance at 84.04 (yesterday's high), then at 84.26 (Tuesday's high) and 84.49 (Monday's high); breach would expose upside to 85.22 (Friday's high), then 85.92 (Aug. 30 high), 86.39 (Aug. 13 high, near 55-day moving average) and 86.88 (Aug. 2 high). Support at 83.34 (yesterday's low); breach would expose downside to psychological round-numbered levels from 83.00 down to 80.00, then 79.70 (around record low set April 19, 1995).

EUR/USD - to consolidate with risks skewed higher. Pair supported by improved investor risk sentiment, successful Portuguese auction of three-year and 11-year government bonds yesterday; Ireland's announcement it would split troubled Anglo Irish Bank into 2 banks to stanch its financial sector's woes. But EUR/USD gains tempered by lingering concerns about credibility of European bank stress tests, weaker-than-expected 0.1% gain in German July industrial production (vs +1% forecast). Data focus: 0600 GMT Germany August CPI. EUR/USD daily chart still negative-biased as MACD & stochastics in bearish mode. Resistance at 1.2763 (yesterday's high); breach would expose upside to 1.2876 (Tuesday's high), then 1.2918-1.2923 band (Monday's high-Aug. 18 high), 1.2959 (50% Fibonacci correction of 1.3333-1.2584 Aug. 6-Aug. 24 decline) and psychological 1.3000. Support at 1.2658 (yesterday's low, near 100-day moving average); breach would target 1.2623 (Aug. 31 low), then 1.2584 (Aug. 24 low), 1.2520 (July 13 reaction low), 1.2478 (July 6 low) and 1.2432 (61.8% Fibonacci correction of advance from June 7 low of 1.1875 to Aug. 6 high of 1.3333).

AUD/USD - to consolidate with risks skewed higher; spotlight on Australia August employment report due 0130 GMT - jobs expected to have risen by 25,000 jobs, cutting unemployment rate to 5.2% from 5.3% in July, according to Dow Jones Newswires survey of 19 economists. AUD/USD buoyed by AUD demand for long-AUD

carry trades on increased investor risk appetite, firmer commodity prices (CRB spot index settled up 0.46 yesterday at 274.27). AUD/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at 0.9194 (yesterday's high), then at 0.9221 (Aug. 6 high); breach would expose upside to 0.9324 (April 30 reaction high), then 0.9382 (April 12 reaction high). Support at 0.9132 (hourly chart); breach would expose downside to 0.9096-0.9089 band (yesterday's low-Tuesday's low), then 0.9064 (Friday's low), 0.9052 (Sept. 2 low), 0.9030 (previous cap set Aug. 30) and 0.8910 (Sept. 1 low).

NZD/USD - to consolidate with risks skewed higher. Pair underpinned by NZD demand for long-NZD carry trades on stronger investor risk appetite, firmer commodity prices. NZD/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher NZD/USD trading near-term. Resistance at 0.7239 (yesterday's high, matching Tuesday's high); breach would target 0.7257 (Monday's high), then 0.7344 (Aug. 6 high), 0.7356 (Aug. 4 reaction high) and 0.7395 (July 27 top). Support at 0.7155 (yesterday's low); breach would expose downside to 0.7126 (Friday's low), then 0.7093 (Sept. 2 low), 0.7082 (200-day moving average), 0.7060 (100-day moving average) and 0.6983 (Sept. 1 low).

GBP/USD - to trade with risks skewed higher; spotlight on 1100 GMT BOE interest rate decision - all 14 economists polled by Dow Jones Newswires forecasting no change for 18th straight month. GBP/USD supported by positive investor risk sentiment, M&A news (Vodafone PLC selling its China Mobile stake for around GBP4 billion), surprise 0.2% on-month rise in Halifax August UK house prices (vs forecast for 0.5% fall). But GBP/USD gains tempered by lingering concerns over negative impact of fiscal tightening on UK economic growth. Data focus: 0830 GMT UK July global goods trade balance. GBP/USD daily chart mixed as MACD bearish, but stochastics rising from oversold. Resistance at 1.5533 (yesterday's high); breach would expose upside 1.5580 (Aug. 30 high), then 1.5597 (Aug. 26 high), 1.5620 (Aug. 23 high), 1.5672 (Aug. 19 high) and 1.5707 (Aug. 16 high). Support at 1.5410 (hourly chart); breach would expose downside to 1.5341 (yesterday's low), then 1.5294 (Tuesday's low), 1.5123 (July 21 reaction low, near 100-day moving average and 50% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002) and psychological 1.5000.

USD/CHF - to consolidate. Pair supported by short-CHF carry trades on improved investor risk appetite, fears of CHF-selling intervention by SNB; but gains tempered by CHF demand on weak EUR/CHF cross (hit record low of 1.2765 yesterday, last at 1.2867). Daily chart still negative-biased as MACD bearish, while stochastics stay suppressed at oversold. Support at 1.0058 (yesterday's 9-month low); breach would expose downside to parity, then 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough). Resistance at 1.0139-1.0148 band (yesterday's high-Tuesday's high), then at 1.0183 (Monday's high); breach would expose upside to 1.0238 (Friday's high), then 1.0263 (Aug. 31 high), 1.0315 (Aug. 30 high), 1.0328 (Aug. 25 high) and 1.0452 (Aug. 24 high).

USD/CAD - to trade with bearish bias. Pair undermined by less-dovish-than-expected statement from BOC (didn't rule out possibility of future rate hikes as some had anticipated) as bank hiked its policy rate by 25 bps to 1.00%, increased investor risk appetite, firmer commodity & oil prices (Nymex crude settled up 58 cents yesterday at \$74.67), much better-than-expected Canada August Ivey PMI of 65.9 (vs 55.5 forecast). Data focus: 1215 GMT Canada August housing starts, 1230 GMT Canada July new-housing price index, July international merchandise trade. USD/CAD daily chart negative-biased as MACD & stochastics in bearish mode. Support at 1.0342-1.0333 band (yesterday's low-Monday's low); breach would expose downside to 1.0241 (Aug. 19 reaction low), then 1.0102 (Aug. 5 reaction low) and 1.0010 (April 29 low). Resistance at 1.0445 (hourly chart); breach would expose upside to 1.0509 (yesterday's high), then 1.0569 (Friday's high), 1.0656 (Sept. 1 high) and 1.0677 (July 6 reaction high).

EUR/JPY - to consolidate with risks skewed higher. Cross supported by stronger investor risk appetite, improved euro sentiment. Daily chart mixed as stochastics in bearish mode, MACD flat. Resistance at 107.12 (yesterday's

high); breach would expose upside to 108.37 (Tuesday's high), then 108.95 (Monday's high), 109.54 (Friday's high) and 110.12 (Aug. 19 high). Support at 105.75 (yesterday's low), then at 105.44 (9-year low set Aug. 24); breach would expose downside to psychological round-numbered levels from 105.00 down to 100.00, then 99.85 (June 1, 2001 reaction low).

EUR/GBP - to consolidate with risks skewed lower. Daily chart mixed as MACD bullish, but stochastics falling from overbought; bearish parabolic stop-and-reverse signal hit at 0.8239 yesterday. Support at 0.8200 (yesterday's low); breach would expose downside to 0.8169 (Aug. 31 low), then 0.8159-0.8152 band (Aug. 30 low-Aug. 26 low), 0.8139 (Aug. 23 reaction low), 0.8065 (19-month low when hit June 29) and psychological 0.8000. Resistance at 0.8272 (yesterday's high), then at 0.8288 (55-day moving average); breach would expose upside to 0.8364 (Tuesday's high, near 100-day moving average), then 0.8390 (Monday's high), 0.8415 (July 27 high) and 0.8466 (July 22 high).