

# 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	83.48-84.07	82.87-84.39
EUR/USD	1.3564-1.3647	1.3483-1.3691
AUD/USD	0.9655-0.9731	0.9557-0.9800
NZD/USD	0.7323-0.7407	0.7301-0.7417
GBP/USD	1.5760-1.5874	1.5717-1.5895
USD/CHF	0.9730-0.9814	0.9700-0.9877
USD/CAD	1.0236-1.0341	1.0218-1.0361
EUR/JPY	113.47-114.18	112.64-114.73
EUR/GBP	0.8568-0.8644	0.8533-0.8700

(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 amid negative USD sentiment (ICE spot dollar index last 78.775 vs Tuesday's 79.014 settlement) on expectations of further quantitative measures from U.S. Federal Reserve despite comments from some Fed officials tempering these bets: Fed's Rosengren said further monetary stimulus depend on upcoming data, Fed's Plosser said he opposes second round of Treasury purchases of any size. USD/JPY also undermined by Japan exporter sales, unwinding of JPY-funded carry trades amid diminished investor risk tolerance (VIX fear gauge rose 2.88% to 23.25), modest Wall Street losses overnight (DJIA off 0.21%, S&P off 0.26%). But USD/JPY losses tempered by fear of further Japan MOF JPY-selling intervention, USD demand for import settlements, higher U.S. Treasury yields after Rosengren & Plosser's comments. Data focus: 2350 GMT Japan August preliminary industrial production, August preliminary retail sales, 0500 GMT Japan August housing starts, August construction orders, 1230 GMT U.S. September ISM-NY business index, U. S. 2Q GDP (final estimate), Sept 25 weekly jobless claims, 1345 GMT September ISM-Chicago PMI, 1500 GMT September Kansas City Fed manufacturing activity index. USD/JPY daily chart negative-biased as MACD & stochastics bearish; 5-day moving average below 15-day and falling. Support at 83.48 (yesterday's low); breach would expose downside to 82.87 (15-year low set Sept. 15), then psychological round-numbered levels from 82.00 down to 80.00, and 79.75 (record low set April 19, 1995). Resistance at 84.07 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 84.39 (Monday's high), then 85.00 (hourly chart), 85.38 (Friday's high, near 55-day moving average), 85.77 (Sept. 21 high) and 85.93 (Sept. 16 reaction high).

EUR/USD - to consolidate with bullish bias. Pair underpinned by negative USD sentiment; European Commission proposal of legislation to strengthen its control over economic policies of EU member states, including fines for breaching budget rules; lower-than-expected take-up of ECB's 3-month LTRO at EUR104 billion compared with EUR225 billion maturing today; surprise rise in euro-zone September Economic Sentiment Index to 103.2 from revised 102.3 in August (vs forecast for fall to 101.5). But EUR/USD topside limited by weaker investor risk tolerance, lingering concerns over Irish & Portuguese debt. Data focus: 0800 GMT German September labor market statistics, 0900 GMT September flash estimate euro-area inflation. EUR/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher EUR/USD trading near-term. Resistance at 1.3647 (yesterday's high); breach would expose upside to 1.3691 (April 12 reaction high), then 1.3817 (March 17 reaction high), 1.3839 (Feb. 9 reaction high) and 1.3895 (61.8% Fibonacci retracement of decline from Nov. 25 high of 1.5144 to June 7 low of 1.1875). Support at 1.3564 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.3483 (hourly chart), then 1.3380 (Tuesday's low), 1.3284 (Friday's low), 1.3245 (Sept. 22 low) and 1.3055 (Sept. 21 low).

AUD/USD - to consolidate with bullish bias. Pair underpinned by weak USD sentiment, Aussie-U.S. yield gap, buoyant commodity prices (CRB spot index ended up 1.58 yesterday at 285.93), lingering effect from upbeat Chinese September manufacturing PMI data yesterday, month-end Australian portfolio hedge adjustments; expectations for RBA rate hike Tuesday. But AUD/USD gains tempered by lower investor risk tolerance. Data focus: 0130 GMT Australia August building approvals, August financial aggregates (including private sector credit), RBA financial stability review, 0630 GMT Australia August international reserves. 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 0.9731 (yesterday's high); breach would expose upside to psychological 0.9800, then 0.9849 (July 15, 2008 peak) and parity. Support at 0.9655 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.9557 (Tuesday's low), then 0.9461 (Friday's low), 0.9439 (Sept. 21 low) and 0.9347 (Sept. 17 low).

NZD/USD - to consolidate. Pair underpinned by weak USD sentiment, Kiwi-U.S. yield advantage, buoyant commodity prices. But NZD/USD gains tempered by moderating investor risk tolerance; sharp 17.8% on-month decline in NZ August building consents issued. Data focus: 0200 GMT September NBNZ NZ business outlook. NZD/USD daily chart still positive-biased as MACD & stochastics in bullish mode. Resistance at 0.7407 (yesterday's high), then at 0.7417 (Sept. 22 high); breach would expose upside to 0.7441 (Jan. 14 reaction high), then 0.7521 (Nov. 16, 2009 reaction high). Support at 0.7323 (hourly chart), then at 0.7301 (Tuesday's low); breach would target 0.7268-0.7259 band (Friday's low-Sept. 23 low), then 0.7247 (Sept. 20 low), 0.7234 (Sept. 17 low) and 0.7211 (Sept. 16 low).

GBP/USD - to consolidate with risks skewed lower. Pair undermined by weaker-than-expected UK GfK September consumer confidence index of minus 20 (vs minus 19 forecast); disappointing UK August mortgage approvals data; lingering effect from BOE Posen's comment Tuesday for further UK quantitative easing; concerns over negative impact of fiscal tightening on UK economic growth, reduced investor risk tolerance. But GBP/USD losses tempered by negative USD sentiment. Data focus: 0600 GMT UK September Nationwide monthly housing review, 0830 GMT 3Q BOE credit conditions survey. GBP/USD daily chart mixed as MACD bullish, but stochastics bearish at overbought; inside-day-range pattern completed yesterday. Support at 1.5760 (yesterday's low); breach would expose downside to 1.5717 (Tuesday's low), then 1.5638 (Friday's low), 1.5600 (Sept. 22 low), 1.5573 (55-day moving average) and 1.5501 (Sept. 21 low). Resistance at 1.5874 (yesterday's high), then at 1.5895 (Tuesday's high); breach would reinstate near-term positive outlook, exposing upside to 1.5910 (Aug. 10 high), then 1.6002 (Aug. 6 top), 1.6069 (Feb. 3 high) and 1.6276 (Jan. 28 high).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by negative USD sentiment, unwinding of short-CHF carry trades on weaker investor risk tolerance; better-than-expected Swiss September KOF index of 2.21 (vs 2.09 forecast). But USD/CHF losses tempered by lingering fears of SNB's CHF-selling intervention. Daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; 5- & 15-day moving averages falling. Support at 0.9730 (yesterday's low); breach would expose downside to psychological round-numbered levels of 0.9700 & 0.9600, then 0.9572 (record low set March 17, 2008 on EBS via CQG). Resistance at 0.9814 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.9877 (Tuesday's high), then 0.9905 (Sept. 23 high), 0.9985 (Sept. 22 high), 1.0074 (Sept. 21 high) and 1.0121 (Sept. 20 high).

USD/CAD - to consolidate with bullish bias. Pair supported by decreased investor risk appetite, concerns over impact of slowing U.S. growth on Canadian economy. But USD/CAD gains tempered by weak USD sentiment, buoyant commodity & oil prices (Nymex crude settled up \$1.68 yesterday at \$77.86/bbl). Data focus: 1230 GMT Canada July GDP, 1650 GMT BOC Gov. Carney speaks. USD/CAD daily chart positive-biased as stochastics bullish, MACD staging bullish crossover against its exponential moving average. Resistance at 1.0341 (yesterday's high), then at 1.0361 (Tuesday's high, matching 200-day moving average); breach would target 1.0379 (Sept. 23 high, matching 55-day moving average), then 1.0394 (Sept. 9 high), 1.0509 (Sept. 8 high) and 1.0569 (Sept. 3 high). Support at 1.0236 (yesterday's low), then at 1.0218 (Monday's low); breach would target 1.0188 (Sept. 22 low), then 1.0102 (Aug. 5 reaction low) and 1.0010 (April 29 low).

EUR/JPY - to consolidate with bullish bias. Cross supported by firm EUR/USD undertone, lingering fears of Japan's JPY-selling intervention; but gains tempered by weaker investor risk appetite. Daily chart positive-biased as MACD & stochastics bullish, although latter at overbought. Resistance at 114.18 (yesterday's high, matching Aug. 2 high); breach would target 114.73 (July 28 reaction high), then 115.49 (May 18 high) and 118.14 (200-day moving average). Support at 113.47 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 112.64 (Tuesday's low), then 112.15 (Sept. 23 low), 111.44 (Sept. 21 low), 111.05 (100-day moving average) and 110.75 (55-day moving average).