

# ASIA DAILY FOREX OUTLOOK - Majors

7 Oct 2010, 01:28

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

	Immediate Range	Larger Range
USD/JPY	82.75-83.26	82.00-84.07
EUR/USD	1.3797-1.3947	1.3635-1.4000
AUD/USD	0.9727-0.9800	0.9692-0.9849
NZD/USD	0.7492-0.7548	0.7454-0.7634
GBP/USD	1.5832-1.5914	1.5771-1.5938
USD/CHF	0.9595-0.9686	0.9572-0.9737
USD/CAD	1.0058-1.0166	1.0010-1.0272
EUR/JPY	114.65-115.64	113.85-116.00
EUR/GBP	0.8682-0.8807	0.8624-0.8847

(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 fresh 15-year low of 82.75 yesterday amid broad-based USD weakness (ICE spot dollar index last 77.46 vs Tuesday's 77.749 settlement) as surprise drop of 39,000 private-sector jobs in U.S. September ADP national employment report (vs forecast for gain of 20,000) forebodes dire U.S. non-farm payrolls report tomorrow, bolstering expectations of further quantitative easing measures from U.S. Federal Reserve at Nov. 2-3 meeting. USD/JPY also undermined by Japan exporter sales, lower U.S. Treasury yields (2- & 5-year hit record lows). But USD/JPY losses tempered by USD demand for import settlements, fear of further Japan MOF JPY-selling intervention. No strong cue for yen carry trades from Wall Street overnight after U.S. stocks closed mixed (DJIA up 0.21%, Nasdaq off 0.8%); still, investor fear gauge VIX eased 1.24% to 21.49. Data focus: 2350 GMT Japan September international reserves, 0600 GMT Japan September preliminary machine tool orders, 1230 GMT U.S. Oct 2 weekly jobless claims, 1700 GMT Fed's Fisher speech, 1730 GMT Fed's Hoenig speech, 1900 GMT U.S. August consumer credit. USD/JPY daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5-day moving average below 15-day and falling. Support at 82.75 (yesterday's low); breach would expose downside to psychological round-numbered levels from 82.00 down to 80.00, then 79.75 (record low set April 19, 1995). Resistance at 83.26 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 83.98-84.07 band (Tuesday's high-Sept. 29 high), then 84.39 (Sept. 27 high), 84.95 (55-day moving average), 85.38 (Sept. 24 high) and 85.77 (Sept. 21 high).

EUR/USD - to consolidate with bullish bias after setting 8-month high of 1.3947 yesterday as markets await 1145 GMT ECB interest rate decision & 1230 GMT ECB Governing Council meeting press conference - central bank expected to keep its benchmark rate unchanged at 1%. Pair underpinned by negative USD sentiment; stronger-than-expected 3.4% increase in German August manufacturing orders (vs +1.1% forecast); EUR demand from sovereign central banks; well-received Portuguese EUR1 billion auction of 3- and 12-month papers yesterday. But EUR gains tempered by lingering concerns over economic & fiscal health of some other euro-zone nations - Fitch cut Ireland's sovereign credit rating by one notch yesterday; positions adjustment before tomorrow's U.S. September non-farm payrolls report. Other data focus: 1000 GMT German August industrial production index. 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 1.3947 (yesterday's high); breach would expose upside to psychological 1.4000, then 1.4026 (Feb. 3 high), 1.4197 (Jan. 25 high) and 1.4216 (previous base set Dec. 22, 2009). Support at 1.3797 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.3635 (Tuesday's low), then 1.3617 (Friday's low), 1.3558 (Sept. 30 low), 1.3506 (previous cap set Sept. 27) and 1.3380 (Sept. 28 low).

AUD/USD - to consolidate with bullish bias. Pair underpinned by Aussie-USD yield gap, expectations of more QE measures from U.S. Federal Reserve, firmer commodity prices (CRB spot index closed up 0.73 yesterday at 289.15). But AUD/USD gains tempered by positions adjustment before tomorrow's U.S. September non-farm payrolls report. Data focus: 0030 GMT Australia September labour force. "Markets continue to underprice chances of a November hike (current pricing is around 11 bps) after Tuesday's disappointment; another set of strong job figures would likely see those expectations upgraded - and push AUD/USD on towards the all-time high of 0.9849," says BNP Paribas. 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 0.9791-0.9800 band (yesterday's high-psychological level); breach would expose upside to 0.9849 (July 15, 2008 peak), then psychological 0.9900 and parity. Support at 0.9727 (hourly chart), then at 0.9692 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.9540 (Tuesday's low), then 0.9461 (Sept. 24 low) and 0.9439 (Sept. 21 low).

NZD/USD - to consolidate with bullish bias. Pair underpinned by negative USD sentiment, Kiwi-USD yield gap, buoyant commodity prices. But NZD/USD gains tempered by positions adjustment before tomorrow's U.S. September non-farm payrolls report. NZD/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher NZD/USD trading near-term. Resistance at 0.7548 (yesterday's high); breach would expose upside to 0.7634 (Oct. 21, 2009 reaction high), then 0.7759 (July 15, 2008 reaction high). Support at 0.7492 (hourly chart), then at 0.7454 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.7354 (Tuesday's low), then 0.7325 (Friday's low), 0.7302 (Sept. 30 low), and 0.7268-0.7259 band (Sept. 24 low-Sept. 23 low).

GBP/USD - to consolidate with bullish bias as markets await 1100 GMT BOE interest rate decision - central bank expected to keep policy on hold yet again but investors looking for any clues on future quantitative easing. Pair supported by negative USD sentiment; but gains tempered by lingering concerns over negative impact of fiscal tightening on UK economy, positions adjustment before tomorrow's U.S. September non-farm payrolls report. Other data focus: 0830 GMT UK August industrial production, 1400 GMT UK September NIESR GDP estimates. GBP/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.5914 (hourly chart), then at 1.5938 (yesterday's high); breach would expose upside to 1.6002 (Aug. 6 high), then 1.6069 (Feb. 3 high) and 1.6276 (Jan. 28 high). Support at 1.5832 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.5771 (Tuesday's low), then 1.5748 (Monday's low), 1.5702 (Friday's low), 1.5667 (Sept. 30 low) and 1.5638 (Sept. 24 low).

USD/CHF - to consolidate with bearish bias. Pair undermined by expectations of more QE measures from U.S. Federal Reserve. But USD/CHF downside limited by lingering fears of SNB's CHF-selling intervention, positions adjustment before tomorrow's U.S. September non-farm payrolls report. Daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5- & 15-day moving averages falling. Support at 0.9595 (yesterday's low); breach would target 0.9572 (record low set March 17, 2008 on EBS via CQG), then psychological round-numbered levels of 0.9500 down to 0.9000. Resistance at 0.9686 (yesterday's high); breach would temper near-term negative outlook, targeting 0.9737 (Tuesday's high), then 0.9789 (Monday's high), 0.9843 (Friday's high), 0.9877 (Sept. 28 high) and 0.9905 (Sept. 23 high).

USD/CAD - to consolidate with bearish bias. Pair undermined by negative USD sentiment, buoyant commodity & oil prices (Nymex crude settled up 41 cents yesterday at \$83.23 /bbl); stronger-than-expected Canada Ivey PMI of 70.3 in September (vs 62 forecast). But USD/CAD losses tempered by concerns over adverse impact of weak U.S. growth on Canadian economy; positions adjustment before tomorrow's U.S. September non-farm payrolls report. Data focus: 1230 GMT Canada August building permits. USD/CAD daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5-day moving average below 15-day and falling. Support at 1.0058 (yesterday's low); breach would expose downside to 1.0010 (April 29 low), then 0.9926 (April 21 low), 0.9816 (May 21, 2008 reaction low) and 0.9708 (Feb. 28, 2008 reaction low). Resistance at 1.0166 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.0272 (Tuesday's high), then 1.0313 (Friday's high), 1.0346 (Sept. 30 high, near confluence of 55-day & 200-day moving averages) and 1.0361 (Sept. 28 high).

EUR/JPY - to trade with risks skewed higher. Cross supported by threat of further JPY-selling intervention by Japan, strong EUR/USD undertone; but gains tempered by positions adjustment before tomorrow's U.S. September non-farm payrolls report. Daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at 115.64 (yesterday's high); breach would expose upside to psychological levels of 116 and 117, then 117.71 (200-day moving average). Support at 114.65 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 113.85 (Tuesday's low), then 113.72 (Monday's low), 112.95 (Sept. 30 low) and 112.64 (Sept. 28 low).

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October 06, 2010 19:28 ET (23:28 GMT)