

# 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	81.00-82.19	80.00-82.57
EUR/USD	1.3900-1.4030	1.3833-1.4197
AUD/USD	0.9835-0.9818	0.9707-1.0000
NZD/USD	0.7513-0.7592	0.7424-0.7634
GBP/USD	1.5821-1.6017	1.5771-1.6069
USD/CHF	0.9555-0.9701	0.9500-0.9737
USD/CAD	1.0090-1.0143	1.0070-1.0227
EUR/JPY	114.10-115.30	113.67-115.68
EUR/GBP	0.8711-0.8784	0.8682-0.8807

(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 81.37 on EBS this morning; trading volumes thin as markets in Japan, U.S. closed for holiday. USD/JPY undermined by negative USD sentiment (ICE spot dollar index settled down 0.08% Friday at 77.325, last 77.01 after hitting 9-month low 76.872 this morning) as expectations of further quantitative easing measures from U.S. Federal Reserve persist after weaker-than-expected U.S. September nonfarm payrolls (fell 95,000 vs forecast for 10,000 drop) -- erased doubts Fed would resume QE at its November meeting after comments by Fed's Bullard. IMF/G7 meetings over weekend failed to resolve any of the lingering uncertainties in FX markets so it's "business as usual", says Grant Turley, FX strategist at ANZ. USD/JPY also weighed by Japan exporter sell-USD orders; but downside limited by fear of further Japan MOF JPY-selling intervention as Japan escaped G-7 criticism; Japan importer buy-USD orders, JPY-funded carry trades amid positive global risk sentiment (VIX fear gauge eases 3.94% to 20.71), modest Wall Street gains Friday (DJIA up 0.57%) on hopes for further monetary stimulus. Data focus: 1200 GMT Fed's Dudley speaks, 1845 GMT Fed's Yellen speaks. USD/JPY daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5- & 15-day moving averages falling. Support at psychological 81.00; breach would target next psychological round-numbered level at 80.00, then 79.75 (record low set April 19, 1995). Resistance at 82.19 (hourly chart), then at 82.57 (Friday's high); breach would temper near-term negative outlook, exposing upside to 83.02 (Thursday's high), then 83.26 (Wednesday's high), 83.98-84.07 band (Tuesday's high-Sept. 29 high) and 84.39 (Sept. 27 high).

EUR/USD - to consolidate with positive bias. Pair underpinned by expectations of more QE measures from U.S. Fed, positive global risk sentiment, EUR demand from sovereign central banks. But EUR/USD gains tempered by jawboning on euro strength from EU's Juncker; lingering concerns over economic & fiscal health of peripheral euro-zone nations. Data focus: 0645 GMT France August industrial production index. EUR/USD daily chart positive-biased as MACD bullish, stochastics stays elevated at overbought. Resistance at 1.4030 (Thursday's high); breach would expose upside to 1.4197 (Jan. 25 high), then 1.4216 (previous base set Dec. 22, 2009) and psychological 1.4500. Support at 1.3900 (hourly chart), then at 1.3833 (Friday's low); breach would temper near-term positive outlook, exposing downside to 1.3797 (Wednesday's low), then 1.3635 (Tuesday's low), 1.3617 (Oct. 1 low) and 1.3558 (Sept. 30 low).

AUD/USD - to consolidate with bullish bias. Pair underpinned by negative USD sentiment, AUD demand for long-AUD carry trades on increased investor risk appetite, firmer commodity prices (CRB spot index closed up 7.81 Friday at 295.11). Data focus: 0030 GMT Australia August housing finance approvals. AUD/USD daily chart positive-biased as MACD bullish, stochastics stays elevated at overbought, 5- & 15-day moving averages rising.

Resistance at 0.9918 (Thursday's post-float high); breach would expose upside to parity, then psychological round-numbered levels of 1.0100 to 1.0600, then 1.0639 (161.8% Fibonacci projection of advance from May 25 low of 0.8065 to Aug. 6 high of 0.9221, starting from Aug. 25 low of 0.8769). Support at 0.9835 (hourly chart), then at 0.9707 (Friday's low); breach would temper near-term positive outlook, targeting 0.9692 (Wednesday's low), then 0.9540 (Tuesday's low), 0.9461 (Sept. 24 low) and 0.9439 (Sept. 21 low).

NZD/USD - to consolidate with positive bias. Pair underpinned by expectations of more QE measures from U.S. Fed, NZD demand for long-NZD carry trades on improved investor risk appetite, firmer commodity prices. NZD/USD daily chart positive-biased as MACD bullish, stochastics stays elevated at overbought, 5- & 15-day moving averages rising. Resistance at 0.7592 (Thursday's high); breach would expose upside to 0.7634 (Oct. 21, 2009 reaction high), then 0.7759 (July 15, 2008 reaction high). Support at 0.7513 (hourly chart), then at 0.7424 (Friday's low); breach would temper near-term positive outlook, exposing downside to 0.7354 (Tuesday's low), then 0.7325 (Oct. 1 low), 0.7302 (Sept. 30 low), and 0.7268-0.7259 band (Sept. 24 low-Sept. 23 low).

GBP/USD - to range-trade. Pair underpinned by negative USD sentiment, higher investor risk appetite; stronger-than-expected UK September PPI (rose 0.3% on month vs +0.1 forecast). But GBP/USD topside limited by comment from UK Chancellor Osborne Friday that he would not block any call from BOE to increase its GBP200 billion bond purchase program. GBP/USD daily chart mixed as MACD bullish, but stochastics bearish at overbought. Resistance at 1.6017 (Thursday's high); breach would expose upside to 1.6069 (Feb. 3 high), then 1.6276 (Jan. 28 high). Support at 1.5821 (Friday's low); breach would tilt near-term outlook toward negative, targeting 1.5771 (Tuesday's low), then 1.5748 (Oct. 4 low), 1.5702 (Oct. 1 low), 1.5667 (Sept. 30 low) and 1.5638 (Sept. 24 low).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by expectations of more QE measures from U.S. Fed. But USD/CHF downside limited by short-CHF carry trades on stronger investor risk appetite, lingering fears of SNB's CHF-selling intervention. Daily chart mixed as MACD bearish, 5- & 15-day moving averages falling; but stochastics turned bullish at oversold. Support at 0.9555 (Thursday's record low); breach would expose downside to psychological round-numbered levels from 0.9500 down to 0.9000. Resistance at 0.9701 (Thursday's high); breach would temper near-term negative outlook, targeting 0.9737 (Tuesday's high), then 0.9789 (Oct. 4 high), 0.9843 (Oct. 1 high), 0.9877 (Sept. 28 high) and 0.9905 (Sept. 23 high).

USD/CAD - to consolidate with risks skewed lower. Pair undermined by healthier investor risk appetite, negative USD sentiment, stronger commodity & oil prices (Nymex crude settled up 99 cents Friday at \$82.66/bbl). But USD/CAD losses tempered by surprise 6,000 loss in Canada September jobs (vs forecast for 10,000 increase), though unemployment rate ticked down to 8.0% from 8.1%; concerns over adverse impact of weak U.S. growth on Canadian economy. USD/CAD daily chart negative-biased as MACD bearish, 5- & 15-day moving averages falling; stochastics stays suppressed at oversold. Support at 1.0090 (Friday's low), then at 1.0070 (Thursday's low) and 1.0058 (Wednesday's low); breach would target 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 1.0143 (hourly chart), then at 1.0227 (Friday's high); breach would temper near-term negative outlook, exposing upside to 1.0272 (Tuesday's high), then 1.0313 (Oct. 1 high), 1.0346 (Sept. 30 high, near 55-day & 200-day moving averages) and 1.0361 (Sept. 28 high).

EUR/JPY - to consolidate. Cross supported by increased investor risk tolerance, threat of further Japan JPY-selling intervention; but topside limited by persistent JPY strength vs USD. Daily chart mixed as MACD bullish, but stochastics bearish at overbought; bearish parabolic stop-and-reverse signal hit at 114.10 Friday. Support at 114.10 (hourly chart), then at 113.67 (Friday's low); breach would expose downside to 112.95 (Sept. 30 low), then 112.64 (Sept. 28 low) and 112.15 (Sept. 23 low). Resistance at 115.30 (hourly chart), then at 115.68 (Thursday's high); breach would reinstate near-term positive bias, exposing upside to psychological levels of 116 and 117, then 117.51 (200-day moving average).

EUR/GBP - to consolidate. Daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 0.8711 (Friday's low); breach would expose downside to 0.8682 (Wednesday's low), then 0.8624 (Tuesday's low), 0.8559 (Sept. 30 low), 0.8460 (Sept. 22 low) and 0.8387 (Sept. 21 low). Resistance at 0.8784 (hourly chart), then at 0.8807 (May 7 reaction high); breach would reinstate near-term positive bias, targeting 0.8847 (April 19 high), then 0.8864 (April 14 reaction high) and psychological 0.9000.

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