

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	81.85-82.19	81.370-82.57
EUR/USD	1.3864-1.3955	1.3833-1.4011
AUD/USD	0.9821-0.9876	0.9707-0.9906
NZD/USD	0.7482-0.7548	0.7424-0.7577
GBP/USD	1.5866-1.5965	1.5821-1.6017
USD/CHF	0.9580-0.9663	0.9555-0.9701
USD/CAD	1.0084-1.0150	1.0070-1.0227
EUR/JPY	113.67-114.73	112.95-114.95
EUR/GBP	0.8724-0.8779	0.8711-0.8807

(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 trade with risks skewed higher amid broadly firmer USD undertone (ICE spot dollar index last 77.44 vs Friday's 77.325 settlement) as report China has temporarily raised reserve requirements ratio by 50 bps for 6 large banks triggered profit-taking on short-USD positions; increased fear of further Japan MOF JPY-selling intervention as Japan markets reopen after long weekend, lack of explicit criticism of Japan's recent intervention at weekend G-7 meeting. USD/JPY also supported by USD demand for import settlements, JPY-funded carry trades as VIX fear gauge eased 8.45% to 18.96, though Wall Street ended flat (DJIA up 0.04%). But USD/JPY gains tempered by Japan exporter sales, expectations that U.S. Federal Reserve may introduce more quantitative easing measures at its November meeting. Data focus: 0500 GMT Japan September consumer confidence survey, 1130 GMT U.S. September small business optimism index, 1400 GMT U.S. September employment trends index, 1545 GMT Fed's Hoenig speech, 1800 GMT FOMC meeting minutes. "FOMC minutes due out later today will provide further clues from what to expect from the Fed. It seems that markets have approximately priced in \$1 trillion-\$1.5 trillion of asset purchases from the Fed," says BNP Paribas. USD/JPY daily chart mixed as MACD bearish, 5- & 15-day moving averages falling; but stochastics turned bullish at oversold. Resistance at 82.19 (yesterday's high), then at 82.57 (Friday's high); breach would expose upside to 83.02 (Thursday's high), then 83.26 (Wednesday's high), 83.98-84.07 band (Oct. 5 high-Sept. 29 high) and 84.39 (Sept. 27 high). Support at 81.85 (hourly chart), then at 81.37 (yesterday's 15-year low); breach would reinstate near-term negative bias, exposing downside to psychological round-numbered levels 81.00, 80.00, then 79.75 (record low set April 19, 1995).

EUR/USD - to trade with risks skewed lower. Weighed by profit-taking on EUR-longs, recent jawboning on euro strength from Euro-group President Juncker, lingering concerns over economic & fiscal health of peripheral euro-zone nations. But EUR/USD losses tempered by EUR demand from sovereign central banks, IMF saying it would be open to extending Greek loan repayments; expectations of more QE measures from U.S. Fed. Data focus: 0600 GMT German September CPI, WPI; 1620 GMT ECB's Trichet speech. EUR/USD daily chart negative-biased as stochastics turned bearish at overbought; positive MACD histogram bars contracting, pointing to increasing downside risks. Support at 1.3864 (yesterday's low), then at 1.3833 (Friday's low); breach would expose downside to 1.3797 (Wednesday's low), then 1.3635 (Oct. 5 low), 1.3617 (Oct. 1 low) and 1.3558 (Sept. 30 low). Resistance at 1.3955 (hourly chart), then at 1.4011 (yesterday's high) and 1.4030 (Thursday's high); breach would reinstate near-term positive bias, exposing upside to 1.4197 (Jan. 25 high), then 1.4216 (previous base set Dec. 22, 2009) and psychological 1.4500.

AUD/USD - to consolidate with risks skewed lower. Undermined by report of Chinese 50-bp reserve

requirements ratio hike for 6 large banks; profit-taking on Aussie-longs. But AUD/USD losses tempered by AUD-USD yield gap, firmer commodity prices (CRB spot index closed up 1.26 yesterday at 296.37); expectations of more QE measures from U.S. Fed. Data focus: 0030 GMT Australia September NAB business survey. AUD/USD daily chart mixed as MACD bullish, 5- & 15-day moving averages rising; but stochastics turned bearish at overbought. Support at 0.9821 (yesterday's low); breach would expose downside to 0.9707 (Friday's low), then 0.9692 (Wednesday's low), 0.9540 (Oct. 5 low), 0.9461 (Sept. 24 low) and 0.9439 (Sept. 21 low). Resistance at 0.9876 (hourly chart), then at 0.9906 (yesterday's high) and 0.9918 (Thursday's post-float high); breach would reinstate near-term positive bias, exposing 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).

NZD/USD - to trade with risks skewed lower. Undermined by report of Chinese 50-bp reserve requirements ratio hike; profit-taking on Kiwi-longs. But NZD/USD losses tempered by NZD-USD yield gap, firmer commodity prices; expectations of more QE measures from U.S. Fed. NZD/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 0.7482 (hourly chart), then at 0.7424 (Friday's low); breach would expose downside to 0.7354 (Oct. 5 low), then 0.7325 (Oct. 1 low), 0.7302 (Sept. 30 low), and 0.7268-0.7259 band (Sept. 24 low-Sept. 23 low). Resistance at 0.7548 (hourly chart), then at 0.7577 (yesterday's high) and 0.7592 (Thursday's high); breach would reinstate near-term positive bias, exposing upside to 0.7634 (Oct. 21, 2009 reaction high), then 0.7759 (July 15, 2008 reaction high).

GBP/USD - to consolidate with risks skewed lower. Undermined by worse-than expected September RICS UK house price balance (fell to minus 36 from minus 32 in August, vs forecast for minus 35); BRC report showing UK retail sales growth slowed in September; profit-taking on long cable positions, growing expectations of further BOE quantitative easing measures. But GBP/USD losses tempered by expectations of more QE measures from U.S. Fed. Data focus: 0830 GMT UK September CPI, September retail price index, August DCLG house price index, August global goods trade balance, August CML regulated mortgage survey. GBP/USD daily chart mixed as MACD bullish, but stochastics bearish at overbought. Support at 1.5866 (yesterday's low), then at 1.5821 (Friday's low); breach would target 1.5771 (Oct. 5 low), then 1.5748 (Oct. 4 low), 1.5702 (Oct. 1 low), 1.5667 (Sept. 30 low) and 1.5638 (Sept. 24 low). Resistance at 1.5965 (Friday's high), then at 1.6017 (Thursday's high); breach would reinstate near-term positive bias, exposing upside to 1.6069 (Feb. 3 high), then 1.6276 (Jan. 28 high).

USD/CHF - to consolidate with risks skewed higher. Underpinned by profit-taking on short-dollar positions. But USD/CHF gains tempered by persistent expectations of more QE measures from U.S. Fed. Daily chart mixed as MACD bearish but stochastics bullish at oversold. Resistance at 0.9663 (yesterday's high); breach would target 0.9701 (Thursday's high), then 0.9737 (Oct. 5 high), 0.9789 (Oct. 4 high), 0.9843 (Oct. 1 high) and 0.9877 (Sept. 28 high). Support at 0.9580 (yesterday's low), then at 0.9555 (Thursday's record low); breach would reinstate near-term negative bias, exposing downside to psychological round-numbered levels from 0.9500 down to 0.9000.

USD/CAD - to consolidate with risks skewed higher. Buoyed by softer oil prices (Nymex crude settled down 45 cents yesterday at \$82.21/bbl); profit-taking on short-USD positions. But USD/CAD gains tempered by expectations of more QE measures from U.S. Fed; CAD-USD yield advantage. USD/CAD daily chart mixed as MACD bearish, 5- & 15-day moving averages falling; but stochastics turned bullish at oversold. Resistance at 1.0150 (yesterday's high); breach would expose upside to 1.0227 (Friday's high), then 1.0272 (Oct. 5 high), 1.0313 (Oct. 1 high), 1.0346 (Sept. 30 high, near 55-day & 200-day moving averages) and 1.0361 (Sept. 28 high). Support at 1.0084 (yesterday's low), then at 1.0070 (Thursday's low) and 1.0058 (Wednesday's low); breach would reinstate near-term negative bias, exposing 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).

EUR/JPY - to trade lower. Weighed by profit-taking on long EUR positions, recent jawboning on euro strength from European officials, Japan exporter sales. But EUR/JPY losses tempered by threat of further Japan JPY-selling intervention; Japan importer demand. Daily chart negative-biased as stochastics falling from overbought; MACD staging bearish crossover against its exponential moving average. Support at 113.67 (Friday's low); breach would expose downside to 112.95 (Sept. 30 low), then 112.64 (Sept. 28 low), 112.15 (Sept. 23 low) and 111.44 (Sept. 21 low). Resistance at 114.73 (yesterday's high), then at 114.95 (Friday's high) and 115.68 (Thursday's high); breach would tilt near-term outlook toward positive, exposing upside to psychological levels of 116 and 117, then 117.42 (200-day moving average).

EUR/GBP - to consolidate. Daily chart mixed as MACD bullish, but stochastics bearish at overbought; inside-day-range pattern completed yesterday. Support at 0.8724 (yesterday's low), then at 0.8711 (Friday's low); breach would expose downside to 0.8682 (Wednesday's low), then 0.8624 (Oct. 5 low), 0.8559 (Sept. 30 low), 0.8460 (Sept. 22 low) and 0.8387 (Sept. 21 low). Resistance at 0.8779 (yesterday's high), 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.

-By Jerry Tan, Dow Jones Newswires; (65) 6415-4046; Jerry.tan@dowjones.com