

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 | 80.84-81.84 | 80.00-82.00 |
| EUR/USD | 1.3872-1.4038 | 1.3824-1.4051 |
| AUD/USD | 0.9741-0.9893 | 0.9660-0.9946 |
| NZD/USD | 0.7433-0.7538 | 0.7422-0.7569 |
| GBP/USD | 1.5684-1.5788 | 1.5652-1.5848 |
| USD/CHF | 0.9607-0.9688 | 0.9570-0.9753 |
| USD/CAD | 1.0159-1.0303 | 1.0075-1.0348 |
| EUR/JPY | 113.01-113.80 | 112.82-113.94 |
| EUR/GBP | 0.8770-0.8908 | 0.8735-0.9000 |

(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 amid broadly firmer USD undertone (ICE dollar index last 77.47 vs Wednesday's 77.171 settlement) as market participants cover USD shorts before G20 meeting and weekend. USD/JPY also supported by higher U.S. Treasury yields, lingering fear of further Japan MOF JPY-selling intervention; JPY-funded carry trades as risk appetite improves (VIX fear gauge eased 2.639% to 19.27), U.S. stocks gained modestly overnight (DJIA up 0.351%) on encouraging corporate earnings and Fed Bullard's suggestion central bank could announce Treasury purchases in "small increments" at its November meeting; U. S. Treasury Secretary Geithner's comments in WSJ that major currencies "are roughly in alignment now", implying dollar need not sink further against either euro or yen. But USD/JPY gains tempered by Japan exporter sales; weaker-than-expected rise in Philadelphia Fed index of general business activity to +1.0 in October from minus 0.7 in September (vs +2.0 forecast). Mixed reaction to better-than-forecast 23,000 drop in latest U.S. jobless claims to 452,000 (vs 7,000 drop expected) which offset by upward revision in previous week's 462,000 figure to 475,000. Data focus: 0145 GMT Fed's Hoenig speaks. USD/JPY daily chart still negative-biased as 5- & 15-day moving averages falling; MACD bearish, while stochastics stay suppressed at oversold. Resistance at 81.84 (yesterday's high), then at 81.92-82.00 band (Tuesday's high-Oct. 13 high); breach would target 82.34 (Oct. 12 high), then 82.57 (Oct. 8 high), 83.02 (Oct. 7 high) and 83.99 (Oct. 5 high). Support at 80.84 (Wednesday's low); breach would expose downside to psychological 80.00, then 79.75 (record low set April 19, 1995).

EUR/USD - to consolidate with risks skewed lower. Pair weighed by positions adjustment before weekend and G20 meeting; weaker-than-expected euro-zone October composite PMI (fell to 53.4 from 54.1 in September, vs 53.7 forecast). But EUR/USD downside limited by positive global risk sentiment, EUR demand from sovereign central banks, expectations of more QE measures from U.S. Federal Reserve. EUR sentiment also soothed by surprise rise in German October services PMI to 56.6 in October from September's 54.9, and manufacturing PMI to 56.1 from September's 55.1 (vs forecast for drop in both PMIs to 54.5). Data focus: 0800 GMT German October Ifo business climate index, 0900 GMT EU 2Q balance of payments (2nd release). EUR/USD daily chart mixed as MACD bearish, 5-day moving average staging bearish crossover against 15-day, but stochastics neutral. Support at 1.3872 (yesterday's low); breach would expose downside to 1.3824 (hourly chart), then 1.3696 (Wednesday's low), 1.3635 (Oct. 5 low), 1.3558 (Sept. 30 low, matching 38.2% Fibonacci correction of 1.2584-1.4161 Aug. 24-Oct. 15 advance) and 1.3380 (Sept. 28 low, just above 50% correction). Resistance at 1.4038 (hourly chart), then at 1.4051 (yesterday's high); breach would expose upside to 1.4161 (9-month high set Oct. 15), then 1.4197 (Jan. 25 high), 1.4216 (previous base set Dec. 22, 2009) and psychological 1.4500.

AUD/USD - to consolidate with risks skewed lower. Pair undermined by positions adjustment before weekend and G20 meeting; weaker commodity prices (CRB spot index closed down 3.45 yesterday at 295.55). But AUD/USD downside limited by positive global risk sentiment, AUD-USD yield gap, expectations of more QE measures from U.S. Federal Reserve. AUD/USD daily chart mixed as MACD bearish, 5-day moving average staging bearish crossover against 15-day, but stochastics neutral. Support at 0.9741 (yesterday's low); breach would expose downside to 0.9660 (Tuesday's low), then 0.9540 (Oct. 5 low, just above 38.2% correction of 0.8769-1.0003 Aug. 25-Oct. 15 advance), 0.9461 (Sept. 24 low), 0.9386 (50% correction) and 0.9377 (55-day moving average). Resistance at 0.9893 (yesterday's high); breach would expose upside to 0.9946 (Tuesday's high), then 1.0003 (post-float high set Oct. 15), psychological 1.0100, 1.0200 and 1.0215 (ascending resistance trendline from Sept. 14 high of 0.9458).

NZD/USD - to trade lower. Pair undermined by positions adjustment before weekend and G20 meeting; weaker commodity prices. But NZD/USD downside limited by positive global risk sentiment, NZD-USD yield gap, expectations of more QE measures from U.S. Federal Reserve. NZD/USD daily chart negative-biased as MACD bearish, stochastics falling from overbought, 5-day moving average staged bearish crossover against 15-day. Support at 0.7433 (yesterday's low), then at 0.7422 (Wednesday's low); breach would expose downside to 0.7377 (38.2% Fibonacci correction of 0.6944-0.7645 Aug. 25-Oct. 14 advance), then 0.7354 (Oct. 5 low), 0.7325 (Oct. 1 low) and 0.7302 (Sept. 30 low, just above 50% correction). Resistance at 0.7538 (yesterday's high), then at 0.7569 (Wednesday's high); breach would expose upside to 0.7599 (Tuesday's high), then 0.7618 (Oct. 15 high), 0.7645 (27-month high set Oct. 14) and 0.7759 (July 15, 2008 reaction high).

GBP/USD - to trade lower. Pair undermined by USD short-covering before weekend and G20 meeting; surprise 0.2% drop in UK September retail sales (vs forecast for 0.7% gain); concerns over negative impact of government's tough austerity program on UK economy; comments from UK chancellor Osborne and MPC member Miles that further QE monetary stimulus may be needed. But GBP/USD losses tempered by expectations of more QE measures from U.S. Federal Reserve. GBP/USD daily chart negative-biased as MACD bearish, stochastics falling from overbought, 5-day moving average staged bearish crossover against 15-day. Support at 1.5684 (yesterday's low), then at 1.5652 (Wednesday's low, matching 55-day moving average); breach would expose downside to 1.5501 (Sept. 21 low), then 1.5434 (100-day moving average), 1.5343 (Sept. 10 low, near 200-day moving average) and 1.5294 (Sept. 7 trough). Resistance at 1.5788 (hourly chart); breach would expose upside to 1.5848 (yesterday's high), then 1.5878 (Wednesday's high), 1.5940 (Tuesday's high), 1.6003 (Monday's high) and 1.6104 (8-month high set Oct. 15).

USD/CHF - to trade with risks skewed higher. Pair underpinned by USD short-covering before weekend and G20 meeting, short-CHF carry trades on lower risk aversion; sharp drop in headline balance of ZEW-Credit Suisse survey of economic expectations to minus 27.5 in October from minus 5.1 in September. But USD/CHF gains tempered by expectations of more QE measures from U.S. Federal Reserve. CHF sentiment also soothed by increase in Swiss trade surplus to CHF1.7 billion in September. Daily chart positive-biased as MACD & stochastics bullish, 5-day moving average staging bullish crossover against 15-day. Resistance at 0.9688 (hourly chart); breach would expose upside to 0.9753 (Tuesday's high), then 0.9789 (Oct. 4 high), 0.9843 (Oct. 1 high), 0.9877 (Sept. 28 high) and 0.9930 (previous base set Sept. 14). Support at 0.9607 (yesterday's low); breach would expose downside to 0.9570 (Wednesday's low), then 0.9538 (Monday's low), 0.9481 (Oct. 15 low), 0.9463 (record low set Oct. 14) and psychological 0.9400.

USD/CAD - to trade with risks skewed higher. Pair buoyed by positions adjustment before weekend and G20 meeting; weaker commodity and oil prices (Nymex crude settled down \$1.98 yesterday at \$80.56/bbl); surprise 0.1% drop in Canada September composite index of leading indicators (vs forecast for 0.2% gain). But USD/CAD gains tempered by positive global risk sentiment. Data focus: 1100 GMT Canada September CPI, 1230 GMT Canada August retail sales. USD/CAD daily chart positive-biased as MACD & stochastics bullish. Resistance at 1.0303 (yesterday's high); breach would expose upside to 1.0348 (Wednesday's high), then 1.0372-1.0379 band (Tuesday's high-Sept. 23 high), 1.0509 (Sept. 8 high), 1.0569 (Sept. 3 high) and 1.0672 (Aug. 31 reaction high). Support at 1.0163-1.0159 band (yesterday's low-Tuesday's low); breach would expose downside to 1.0075 (previous cap set Oct. 14), then 1.0008 (Oct. 15 low) and 0.9980 (5-month low set Oct. 14).

EUR/JPY - to consolidate. Cross supported by positive global risk sentiment, threat of further Japan JPY-selling intervention, Japan importer demand. But EUR/JPY gains tempered by Japan exporter sales; positions adjustment before weekend and G20 meeting. Daily chart mixed as MACD bearish, 5-day moving average below 15-day and falling, but stochastics turned bullish near oversold. Support at 113.01 (hourly chart), then at 112.82 (yesterday's low); breach would expose downside to 111.54 (Wednesday's low), then 111.44 (Sept. 21 low), 111.32 (100-day moving average), 111.05 (55-day moving average) and 110.63 (Sept. 16 low). Resistance at 113.80 (hourly chart), then at 113.94 (yesterday's high); breach would expose upside to 114.79 (Oct. 14 high), then 114.95 (Oct. 8 high), 115.68 (Oct. 7 high) and psychological 116.00.