

# 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	80.41-81.50	80.00-81.84
EUR/USD	1.3932-1.4061	1.3894-1.4080
AUD/USD	0.9823-0.9932	0.9756-0.9975
NZD/USD	0.7462-0.7543	0.7433-0.7569
GBP/USD	1.5653-1.5772	1.5501-1.5848
USD/CHF	0.9656-0.9783	0.9607-0.9805
USD/CAD	1.0149-1.0268	1.0075-1.0280
EUR/JPY	112.52-113.60	111.54-113.77
EUR/GBP	0.8861-0.8941	0.8844-0.9000

(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 bearish bias after hitting fresh 15-year low of 80.41 on EBS yesterday amid broad-based USD weakness (ICE spot dollar index last 77.21 vs Friday's 77.472 settlement) as investors continue to punish USD for another round of anticipated quantitative measures from U.S. Federal Reserve next week. USD/JPY also undermined by Japan exporter sales; drop in Chicago Fed national activity index to minus 0.58 in September from revised minus 0.49 in August. But USD/JPY downside limited by lingering fear of Japan MOF JPY-selling intervention, USD demand for import settlements, JPY-funded carry trades amid positive global risk sentiment as Wall Street posted modest gains overnight (DJIA up 0.28%, Nasdaq up 0.46%); still, VIX fear gauge rose 5.7% to 19.85. USD sentiment also soothed by stronger-than-expected 10% rise in U.S. September existing home sales, jump in Dallas Fed general business activity index to 2.6 in October from minus 17.7 in September. Data focus: 2350 GMT Japan September corporate service price index, 1300 GMT U.S. August S&P/Case-Shiller home price index, 1400 GMT October Richmond Fed business activity survey, U.S. October consumer confidence index, 2030 GMT Fed's Dudley speech. USD/JPY daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower USD/JPY trading near-term. Support at 80.41 (yesterday's low); breach would expose downside to psychological 80.00, then 79.75 (record low set April 19, 1995) and psychological 79.00. Resistance at 81.50 (Friday's high); breach would temper near-term negative outlook, targeting 81.84 (Thursday's high), then 81.92-82.00 band (Oct. 19 high-Oct. 13 high), 82.34 (Oct. 12 high), 82.57 (Oct. 8 high) and 83.02 (Oct. 7 high).

EUR/USD - to consolidate. Pair underpinned by weak USD sentiment, positive investor risk sentiment, EUR demand from sovereign central banks; stronger-than-expected 5.3% on-month rise in euro-zone August new industrial orders (vs +3.0% forecast); ECB's Weber saying FX rates should be freely determined by market and protectionist tendencies must be avoided - implicit nod for higher euro. But EUR/USD gains tempered by profit-taking on euro-longs as market participants wary of disappointment from U.S. Federal Reserve in terms of size of stimulus package; lingering concerns over economic & fiscal health of several euro-zone nations - Pimco's chief executive El-Erian expects Greece to default on its debt in 3 years. Data focus: 0610 GMT German November GfK consumer climate survey. EUR/USD daily chart mixed as MACD bearish but stochastics neutral. Support at 1.3932 (yesterday's low), then at 1.3894 (hourly chart) and 1.3855 (Friday's low); breach would expose downside to 1.3696 (Wednesday's low), then 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 1.4061 (hourly chart), then at 1.4080 (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 range-trade. Pair underpinned by AUD demand for long-AUD carry trades on increased investor risk appetite, divergent RBA-U.S. Fed monetary policy stances - underscored by above-forecast Australian 3Q PPI data & hawkish comments from RBA governor Stevens yesterday; firmer commodity prices (CRB spot index closed up 3.08 yesterday at 300.31). But AUD/USD gains tempered by profit-taking on Aussie-longs. AUD/USD daily chart mixed as MACD bearish but stochastics in bullish mode. Support at 0.9823 (yesterday's low); breach would expose downside to 0.9756 (Friday's low), then 0.9741 (Thursday's low), 0.9660 (Oct. 19 low), 0.9540 (Oct. 5 low, just above 38.2% correction of 0.8769-1.0003 Aug. 25-Oct. 15 advance) and 0.9461 (Sept. 24 low). Resistance at 0.9932 (hourly chart), then at 0.9975 (yesterday's high); breach would expose upside to 1.0003 (post-float high set Oct. 15), then psychological 1.0100, 1.0200 and 1.0280 (ascending resistance trendline from Sept. 14 high of 0.9458).

NZD/USD - to consolidate with risks skewed lower. Pair underpinned by weak USD sentiment, NZD demand for long-NZD carry trades on improved investor risk appetite, firmer commodity prices. But NZD/USD gains tempered by profit-taking on Kiwi-longs, Kiwi sales on buoyant AUD/NZD cross. "Yesterday's Australian 3Q PPI data confirms that interest rates in Australia will be heading higher shortly while this week's RBNZ OCR review is unlikely to produce the same result, adding to further (NZD) weakness," says ANZ Bank. NZD/USD daily chart negative-biased as MACD & stochastics in bearish mode. Support at 0.7462 (yesterday's low), then at 0.7433 (Thursday's low) and 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 0.7543 (hourly chart), then at 0.7563-0.7569 band (yesterday's high-Wednesday's high); breach would expose upside to 0.7599 (Oct. 19 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 consolidate with risks skewed lower as markets await UK 3Q GDP data due 0830 GMT. Pair underpinned by weak USD sentiment, higher investor risk appetite. But GBP/USD topside limited by lingering concerns over negative impact of fiscal tightening on UK economy, growing expectations for further BOE quantitative easing. Other data focus: 1600 GMT BOE's Posen speech. GBP/USD daily chart negative-biased as MACD & stochastics bearish; 5-day moving average below 15-day and falling. Support at 1.5653 (Friday's low, near 55-day moving average); breach would expose downside to 1.5501 (Sept. 21 low), then 1.5458 (100-day moving average), 1.5343 (Sept. 10 low, near 200-day moving average) and 1.5294 (Sept. 7 trough). Resistance at 1.5772 (yesterday's high); breach would expose upside to 1.5848 (Thursday's high), then 1.5878 (Wednesday's high), 1.5940 (Oct. 19 high), 1.6003 (Oct. 18 high) and 1.6104 (8-month high set Oct. 15).

USD/CHF - to consolidate. Pair undermined by negative USD sentiment; but downside limited by short-CHF carry trades on positive risk sentiment, lingering fear of SNB's CHF-selling intervention. Daily chart still positive-biased as MACD & stochastics bullish though inside-day-range pattern completed yesterday. Resistance at 0.9783 (yesterday's high), then at 0.9805 (Friday's high); breach would expose upside to 0.9843 (Oct. 1 high), then 0.9877 (Sept. 28 high), 0.9930 (previous base set Sept. 14) and 0.9987 (55-day moving average). Support at 0.9660-0.9656 band (yesterday's low-Friday's low); breach would expose downside to 0.9607 (Thursday's low), then 0.9570 (Wednesday's low), 0.9538 (Oct. 18 low), 0.9481 (Oct. 15 low) and 0.9463 (record low set Oct. 14).

USD/CAD - to consolidate. Pair undermined by healthier investor risk appetite, negative USD sentiment, firmer commodity and oil prices (Nymex crude settled up 83 cents yesterday at \$82.52/bbl). But USD/CAD downside limited by profit-taking on USD-shorts. USD/CAD daily chart mixed as MACD in bullish mode, stochastics turned bearish. Resistance at 1.0268 (yesterday's high), then at 1.0280 (hourly chart) and 1.0302 (Friday's high); breach would expose upside to 1.0348 (Wednesday's high), then 1.0372-1.0379 band (Oct. 19 high-Sept. 23 high), 1.0509 (Sept. 8 high), 1.0569 (Sept. 3 high) and 1.0672 (Aug. 31 reaction high). Support at 1.0149 (yesterday'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 range-trade. 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. Daily chart mixed as MACD bearish but stochastics in bullish mode. Support at 112.52 (yesterday's low); breach would expose downside to 111.54 (Wednesday's low), then 111.40 (100-day moving average), 111.04 (55-day moving average) and 110.63 (Sept. 16 low). Resistance at 113.60 (downtrend resistance line from Oct. 7 high of 115.66), then at 113.77 (yesterday's high) and 113.94 (Thursday's high); breach would expose upside to 114.79 (Oct. 14 high), then 114.95 (Oct. 8 high), 115.65 (Oct. 7 high) and psychological 116.00.

EUR/GBP - to consolidate with risks skewed lower after hitting fresh 7-month high of 0.8941 yesterday. Daily chart mixed as 5- & 15-day moving averages rising, while stochastics stay elevated at overbought, but MACD bearish. Support at 0.8861 (yesterday's low), then at 0.8844 (Friday's low); breach would expose downside to 0.8770 (Thursday's low), then 0.8735 (Oct. 19 low), 0.8702-0.8696 band (Oct. 18 low-Oct. 12 low), 0.8682 (Oct. 6 low) and 0.8624 (Oct. 5 low). Resistance at 0.8941 (yesterday's high); breach would expose upside to psychological 0.9000, then 0.9025 (March 26 reaction high), 0.9045 (March 22 reaction high) and 0.9133 (March 10 reaction high).