

ASIA DAILY FOREX OUTLOOK - Majors

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

| | Immediate Range | Larger Range |
|---------|-----------------|---------------|
| USD/JPY | 80.00-81.07 | 79.75-81.55 |
| EUR/USD | 1.3803-1.4010 | 1.3750-1.4080 |
| AUD/USD | 0.9750-0.9927 | 0.9676-0.9955 |
| NZD/USD | 0.7606-0.7700 | 0.7563-0.7759 |
| GBP/USD | 1.5966-1.6104 | 1.5876-1.6276 |
| USD/CHF | 0.9797-0.9910 | 0.9700-0.9929 |
| USD/CAD | 1.0164-1.0247 | 1.0149-1.0286 |
| EUR/JPY | 111.49-112.96 | 111.24-113.27 |
| EUR/GBP | 0.8667-0.8742 | 0.8635-0.8771 |

(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 bearish bias amid broad-based USD weakness (ICE spot dollar index last 76.94 vs Friday's 77.266 settlement) after hitting fresh 15-year low of 80.21 this morning. USD sentiment hurt by expectations for more U.S. Federal Reserve quantitative easing measures Wednesday after disappointing U.S. data: 3Q GDP grew modest 2.0% (vs forecast for +2.1%), University of Michigan consumer confidence index posted surprise drop to 67.7 this month, 3Q price index for personal consumption expenditures (excluding food and energy) only rose annualized 0.8% from 2Q's 1% increase. USD/JPY also undermined by lower U.S. Treasury yields, Japan exporter sales, unwinding of JPY-funded carry trades amid diminished investor risk tolerance (VIX fear gauge rose 1.53% to 21.2), although Wall Street closed mixed (DJIA up 0.04%, S&P off 0.04%) Friday. USD/JPY losses tempered by fear of further Japan MOF JPY-selling intervention, USD demand for import settlements, upbeat October ISM-Chicago business barometer (rose to 60.6 from 60.4 in September); speculation of further BOJ monetary easing at its meeting Nov. 4-5. Yen crosses vulnerable to any surprises from October CFLP China manufacturing PMI data due 0100 GMT, October HSBC China manufacturing PMI due 0230 GMT. Other data focus: 1230 GMT U.S. September personal income & outlays, 1400 GMT U.S. October ISM manufacturing report on business, September construction spending. USD/JPY daily chart negative-biased as MACD & stochastics turned bearish; 5- & 15-day moving averages falling. Support at psychological 80.00; breach would target 79.75 (record low set April 19, 1995), then 79.10 (projected base of descending channel formed with Sept. 24 high of 85.40 and Oct. 14 low of 80.88) and 78.86 (61.8% Fibonacci projection on decline from Sep. 16 high of 85.94 to Oct. 14 low of 80.88, starting from Wednesday's high of 81.99). Resistance at 81.07 (Friday's high); breach would temper near-term negative outlook, exposing upside to 81.55 (top of channel), then 81.77 (Thursday's high), 82.00 (Oct. 13 high) and 82.34 (Oct. 12 high).

EUR/USD - to consolidate with risks skewed higher. Pair underpinned by expectations of more QE measures from U.S. Federal Reserve, EUR-USD yield gap, EUR demand from sovereign central banks; higher-than-expected euro-zone annual inflation rate of 1.9% in October (vs +1.8% forecast). But EUR/USD gains tempered by decreased investor risk tolerance, lingering concerns over economic & fiscal health of several euro-zone nations. Euro sentiment also dented by surprise 2.3% drop in German September retail sales (vs forecast for 0.4% rise). EUR/USD daily chart mixed as MACD bearish, but stochastics neutral, 5- & 15-day moving averages meandering sideways. Resistance at 1.4010 (descending upper trendline of symmetrical triangle from Oct. 15 reaction high of 1.4161); breach would target 1.4080 (Oct. 25 high), then 1.4161 (9-month high set Oct. 15) and 1.4197 (Jan. 25 high). Support at 1.3803 (Friday's low), then at 1.3750 (ascending lower trendline of triangle from Oct. 20 reaction low of 1.3696); breach would target 1.3732 (Wednesday's low), then 1.3696 (Oct. 20 low), 1.3635 (Oct. 5 low) and 1.3558 (Sept. 30 low, matching 38.2% Fibonacci correction of 1.2584-1.4161 Aug. 24-Oct. 15 advance).

AUD/USD - to consolidate with risks skewed higher. Pair underpinned by negative USD sentiment, wide AUD-USD interest rate differential, buoyant commodity prices (CRB spot index closed up 0.78 Friday at 300.67). But AUD/USD gains tempered by lower investor risk tolerance, Aussie sales on soft AUD/NZD cross. Aussie vulnerable to any surprises from October CFLP China manufacturing PMI data due 0100 GMT. Data focus: 0000 GMT Australia October TD Securities monthly inflation gauge, 0030 GMT 3Q house price indexes (8 capital cities), 0530 GMT Australia October commodity price index. AUD/USD daily chart mixed as MACD bearish, but stochastics neutral, 5- & 15-day moving averages meandering sideways. Resistance at 0.9927 (Tuesday's high), then at 0.9955 (descending upper trendline of falling diagonal triangle from Oct. 15 post-float high of 1.0003); breach would target 0.9975 (Oct. 25 high), then 1.0003 and psychological 1.0100. Support at 0.9750 (hourly chart), then at 0.9676 (Friday's low); breach would target 0.9649 (Wednesday's low, near descending lower trendline of triangle from Oct. 19 reaction low of 0.9660), then 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).

NZD/USD - to consolidate with risks skewed higher after setting 27-month high of 0.7667 on Friday. Pair underpinned by expectations of more QE measures from U.S. Federal Reserve, NZD-USD yield advantage, Kiwi demand on weak AUD/NZD cross, firmer commodity prices. But NZD/USD gains tempered by diminished investor risk tolerance. NZD/USD daily chart positive-biased as MACD & stochastic bullish; 5-day moving average above 15-day moving average and rising. Resistance at psychological 0.7700; breach would expose upside 0.7759 (July 15, 2008 reaction high), then 0.7773 (projected top of ascending channel formed with Aug. 31 low of 0.6962 and Oct. 7 high of 0.7592) and psychological 0.7800. Support at 0.7606 (hourly chart); breach would expose downside to 0.7563 (previous cap set Oct. 25), then 0.7517 (Friday's low), 0.7455 (Thursday's low), 0.7431 (base of channel) and 0.7401 (Wednesday's low).

GBP/USD - to trade with risks skewed to upside. Pair underpinned by negative USD sentiment, above-forecast UK GfK consumer confidence index of minus 19 in October, reduced expectations that BOE will announce more bond purchases Thursday. But GBP/USD topside limited by increased investor risk aversion, disappointing UK September BSA mortgage lending of GBP112 million (vs GBP1 billion expected), lingering concerns over negative impact of fiscal tightening on UK economy. Data focus: 0001 GMT UK CBI SME trends survey, October Hometrack monthly national house prices survey, 0930 GMT UK October CIPS manufacturing PMI. GBP/USD daily chart positive-biased as MACD & stochastic bullish; 5-day moving average above 15-day moving average and rising. Resistance at 1.6104 (8-month high set Oct. 15); breach would expose upside to 1.6276 (Jan. 28 high), then 1.6457 (Jan. 19 reaction high). Support at 1.5966 (hourly chart), then at 1.5876 (Friday's low); breach would temper near-term positive outlook, exposing downside to 1.5760 (Thursday's low), then 1.5728 (Wednesday's low) and 1.5690 (Tuesday's low).

USD/CHF - to trade with risks skewed to downside. Pair undermined by expectations of more QE measures from U.S. Federal Reserve, unwinding of short-CHF carry trades on weaker investor risk tolerance; stronger-than-expected Swiss October KOF economic barometer of 2.17 (vs 2.11 forecast). Data focus: 0830 GMT Swiss October SVMF PMI. Daily chart mixed as MACD bullish, but stochastics neutral, 5- & 15-day moving averages meandering sideways. Support at 0.9797 (Thursday's low); breach would expose downside to 0.9700 (Tuesday's low), then 0.9660 (Oct. 25 low), 0.9607 (Oct. 21 low) and 0.9570 (Oct. 20 low). Resistance at 0.9910 (Friday's high), then at 0.9929 (Wednesday's high, matching previous base set Sept. 14); breach would target 0.9942 (55-day moving average), then psychological 1.0000, 1.0183 (Sept. 17 reaction high) and 1.0277 (Sept. 10 high).

USD/CAD - to consolidate with risks skewed to downside. Pair undermined negative USD sentiment, CAD-USD yield gap. But USD/CAD downside limited by weaker investor risk appetite, softer oil prices (Nymex crude settled down 75 cents Friday at \$81.43/bbl). CAD sentiment also dented by weaker-than-expected 0.2% rise in Canada September industrial product price index (vs +0.3% forecast), surprise 0.4% drop in raw material product prices (vs forecast for 1.0% rise). USD/CAD daily chart mixed as MACD in bullish mode, stochastics neutral; 5- & 15-day moving averages meandering sideways. Support at 1.0164 (Friday's low), then at 1.0149 (Oct. 25 low); breach would target 1.0120 (projected base of minor descending channel formed with Oct. 19 high of 1.0372 and Oct. 21 low of 1.0163), then 1.0075 (previous cap set Oct. 14), 1.0008 (Oct. 15 low) and 0.9980 (5-month low set Oct. 14). Resistance at 1.0247 (Friday's high); breach would target 1.0286 (Thursday's high), then 1.0305 (55-day moving average), 1.0321 (top of channel) and 1.0339 (Wednesday's high, matching confluence of 100-day & 200-day moving averages).