

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	80.21-80.80	80.00-81.40
EUR/USD	1.3860-1.3996	1.3803-1.4011
AUD/USD	0.9823-0.9914	0.9676-0.9927
NZD/USD	0.7630-0.7693	0.7563-0.7759
GBP/USD	1.6005-1.6089	1.5876-1.6104
USD/CHF	0.9872-0.9973	0.9809-1.0000
USD/CAD	1.0114-1.0202	1.0075-1.0247
EUR/JPY	111.49-112.53	111.26-113.30
EUR/GBP	0.8649-0.8722	0.8635-0.8742

(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 amid improved dollar sentiment (ICE spot dollar index last 77.26 vs 76.94 early Monday) as surprise rise in U.S. ISM manufacturing PMI to 56.9 last month from 54.4 in September (vs forecast for dip to 54.3) & 0.5% increase in U.S. September construction spending (vs 0.8% fall forecast) trim expectations for aggressive U.S. Federal Reserve quantitative easing measures tomorrow. USD/JPY also underpinned by higher U.S. Treasury yields, USD demand for import settlements, fear of further Japan MOF JPY-selling intervention, speculation of further BOJ monetary easing Friday. But USD/JPY gains tempered by Japan exporter sales, disappointing 0.2% rise in U.S. September consumer spending (vs +0.4% expected), surprise 0.1% dip in U.S. September personal income (vs forecast for 0.2% increase), selling of yen-crosses as risk appetite falls (VIX fear gauge rose 2.97% to 21.83), although Wall Street closed mixed overnight (DJIA up 0.06%, Nasdaq down 0.1%). Data focus: 2350 GMT Japan October monetary base, 2350 GMT Japan October BOJ monetary policy meeting minutes. USD/JPY daily chart mixed as stochastics bearish, MACD flat. Resistance at 80.80 (hourly chart); breach would expose upside to 81.40 (top of descending channel formed with Sept. 24 high of 85.40 and Oct. 14 low of 80.88), then 81.77 (Thursday's high), 82.00 (Oct. 13 high) and 82.34 (Oct. 12 high). Support at 82.21 (yesterday's fresh 15-year low), then at psychological 80.00; breach would target 79.75 (record low set April 19, 1995), then 78.95 (projected base of channel) 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).

EUR/USD - to consolidate with risks skewed lower. Pair undermined by improved USD sentiment, decreased investor risk appetite, worries over peripheral euro-zone government debt: Greece deputy PM Pangalos said in local newspaper interview yesterday debt restructuring should not be completely disregarded for heavily indebted nation, while flight-to-quality trading hit Irish bonds amid increased concerns over Ireland's financial sector. But EUR/USD losses tempered by ultra-loose U.S. monetary policy, EUR demand from sovereign central banks. Data focus: 0855 GMT German October manufacturing PMI, 0900 GMT euro-zone October manufacturing PMI. EUR/USD daily chart mixed as MACD bearish, but stochastics neutral, 5- & 15-day moving averages meandering sideways. Support at 1.3860 (yesterday's low), then at 1.3803 (Friday's low) and 1.3757 (ascending lower trendline of symmetrical 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). Resistance at 1.3996 (descending upper trendline of triangle from Oct. 15 reaction high of 1.4161); breach would target 1.4011 (yesterday's high), then 1.4080 (Oct. 25 high), 1.4161 (9-month high set Oct. 15) and 1.4197 (Jan. 25 high).

AUD/USD - to consolidate as markets await 0330 GMT RBA interest rate decision: Dow Jones survey of 18

economists shows 12 forecast RBA will keep rates steady at 4.5%, 6 tip 25-bp hike. Pair undermined by improved USD sentiment, decreased investor risk tolerance. But AUD/USD losses tempered by wide AUD-USD interest differential, ultra-loose U.S. monetary policy, buoyant commodity prices (CRB spot index closed up 0.86 yesterday at 301.53). AUD/USD daily chart mixed as MACD bearish, but stochastics neutral, 5- & 15-day moving averages meandering sideways. Support at 0.9823 (yesterday's low); breach would expose downside to 0.9676 (Friday's low), then 0.9649-0.9642 band (Wednesday's low-descending lower trendline of falling diagonal triangle from Oct. 19 reaction low of 0.9660), 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 0.9914 (yesterday's high), then at 0.9927 (Oct. 26 high) and 0.9949 (descending upper trendline of 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.

NZD/USD - to consolidate with risks skewed lower. Pair undermined by improved USD sentiment, diminished investor risk tolerance. But NZD/USD losses tempered by NZD-USD yield advantage, ultra-loose U.S. monetary policy, buoyant commodity prices. NZD/USD daily chart still positive-biased as MACD & stochastic in bullish mode, though spinning-top candlestick pattern completed yesterday. Support at 0.7630 (yesterday's low); breach would expose downside to 0.7563 (previous cap set Oct. 25), then 0.7517 (Friday's low), 0.7455 (Thursday's low), 0.7442 (base of ascending channel formed with Aug. 31 low of 0.6962 and Oct. 7 high of 0.7592) and 0.7401 (Wednesday's reaction low). Resistance at 0.7693 (yesterday's 27-month high); breach would expose upside to 0.7759 (July 15, 2008 reaction high), then 0.7784 (top of channel) and psychological 0.7800.

GBP/USD - to consolidate with risks skewed lower. Pair undermined by improved USD sentiment, lower investor risk appetite, Hometrack survey showing showed UK house prices fell 0.9% on month in October for biggest decline since January 2009 & likely to drop even further in coming months; lingering concerns over negative impact of fiscal tightening on UK economy. But GBP/USD losses tempered by ultra-loose U.S. monetary policy, reduced expectations BOE will announce more BOE bond purchases Thursday. GBP sentiment also boosted by surprise rise in UK manufacturing PMI to 54.9 last month from 53.5 in September (vs forecast for fall to 53.0). Data focus: 0930 GMT UK October CIPS construction PMI. GBP/USD daily chart still positive-biased as MACD & stochastics in bullish mode, though spinning-top candlestick pattern completed yesterday. Support at 1.6005 (yesterday's low); breach would expose downside to 1.5876 (Friday's low), then 1.5760 (Thursday's low), 1.5728 (Wednesday's low, matching uptrend line from Sept. 7 low of 1.5294) and 1.5690 (Oct. 26 low). Resistance at 1.6089 (yesterday's high), then 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).

USD/CHF - to consolidate with risks skewed higher after hitting 5-week high of 0.9973 yesterday. Pair underpinned by improved USD sentiment, worse-than-expected drop in Swiss SVME PMI to 59.2 last month from 59.7 in September (vs 59.6 forecast). But USD/CHF gains tempered by unwinding of short-CHF carry trades amid decreased investor risk tolerance as caution prevails ahead of tomorrow's U.S. FOMC decision. Data focus: 0815 GMT Swiss September retail sales. Daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought; 5- & 15-day moving averages rising. Resistance at 0.9973 (yesterday's high); breach would target psychological 1.0000 (roughly matching 23.6% Fibonacci correction of 1.1730-0.9463 June 1-Oct. 14 decline), then 1.0183 (Sept. 17 reaction high), 1.0247 (100-day moving average), 1.0277 (Sept. 10 high) and 1.0329 (38.2% correction). Support at 0.9872 (hourly chart); breach would expose downside to 0.9809 (yesterday's low), then 0.9797 (Thursday's low), 0.9700 (Oct. 26 low), 0.9660 (Oct. 25 low) and 0.9607 (Oct. 21 low).

USD/CAD - to range-trade. Pair supported by improved USD sentiment, decreased investor risk appetite. But USD/CAD gains tempered by CAD-USD yield gap, ultra-loose U.S. monetary policy, firmer commodity and oil prices (Nymex crude settled up \$1.52 yesterday at \$82.95/bbl). USD/CAD daily chart mixed as MACD in bullish mode, but stochastics bearish. Support at 1.0123-1.0114 band (yesterday's low-projected base of minor descending channel formed with Oct. 19 high of 1.0372 and Oct. 21 low of 1.0163); 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). Resistance at 1.0202 (yesterday's high), then at 1.0247 (Friday's high); breach would target 1.0286

(Thursday's high), then 1.0301 (55-day moving average), 1.0315 (top of channel) and 1.0339 (Wednesday's high, matching confluence of 100-day & 200-day moving averages).

EUR/JPY - to range-trade. Cross undermined by unwinding of carry trades on decreased investor risk tolerance, Japan exporter sales. But EUR/JPY losses tempered by threat of further Japan JPY-selling intervention, Japan importer demand, prospect of further BOJ monetary easing Friday. Daily chart negative-biased as MACD & stochastics bearish, 5- & 15-day moving averages falling. Support at 111.49 (Friday's low, matching 100-day moving average); breach would target 111.26 (55-day moving average), then 110.63 (Sept. 16 low) and 109.55 (previous cap set Aug. 30). Resistance at 112.53 (hourly chart), then at 113.30 (yesterday's high); breach would target 113.77 (Oct. 25 high), then 113.94 (Oct. 21 high), 114.79 (Oct. 14 high) and 114.95 (Oct. 8 high).