

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	80.88-81.68	80.00-82.00
EUR/USD	1.3935-1.4046	1.3909-1.4161
AUD/USD	0.9861-0.9946	0.9831-1.0003
NZD/USD	0.7529-0.7618	0.7475-0.7645
GBP/USD	1.5886-1.6104	1.5772-1.6276
USD/CHF	0.9481-0.9601	0.9463-0.9640
USD/CAD	1.0008-1.0138	0.9980-1.0183
EUR/JPY	113.53-114.79	112.82-114.95
EUR/GBP	0.8717-0.8764	0.8696-0.8796

(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 broadly firmer USD undertone (ICE spot dollar index settled up 0.51% Friday at 77.041, last 77.03) as U.S. Federal Reserve Chairman Bernanke's speech suggesting Fed might enact milder-than-expected quantitative easing measures triggered USD short-covering. USD/JPY also supported by fear of further Japan MOF JPY-selling intervention, USD demand for import settlements, higher U.S. Treasury yields; stronger-than-expected 0.6% increase in U.S. September retail sales (vs +0.4% forecast); big jump in NY Fed's October Empire business conditions index to 15.73 in October (vs forecast for 6.00) from 4.14 in September. But USD/JPY topside limited by Japan exporter sales; flat U.S. core CPI in September (vs +0.1% forecast); surprise drop in University of Michigan consumer sentiment index to 67.9 in October (vs 69.0 forecast) from 68.2 in September. No strong cue for yen carry trades from Wall Street Friday after U.S. stocks closed mixed (DJIA down 0.29%, Nasdaq up 1.37%); still, investor fear gauge VIX eased 4.28% to 19.03. Data focus: 2350 GMT Japan August tertiary industry activity index, 1300 GMT U.S. August Treasury international capital flows data, 1315 GMT U.S. September industrial production & capacity utilization, 1400 GMT U.S. October NAHB housing market index, 1655 GMT Fed's Lockhart speaks. USD/JPY daily chart mixed as MACD bearish, 5- & 15-day moving averages falling, but stochastics turned bullish at oversold. Resistance at 81.68 (hourly chart); breach would expose upside to 82.00 (Wednesday's high), then 82.34 (Tuesday's high), 82.57 (Oct. 8 high), 83.02 (Oct. 7 high) and 83.26 (Oct. 6 high). Support at 80.88 (Thursday's 15-year low); breach would expose downside to psychological 80.00, then 79.75 (record low set April 19, 1995).

EUR/USD - to consolidate after setting fresh 9-month high of 1.4161 on EBS Friday. Pair undermined by profit-taking on euro-long; wider-than-expected euro-zone August trade deficit of EUR4.3 billion; ECB President Trichet's comment Sunday central bank governing council as a whole didn't agree with Weber's remarks last week that ECB's government-bond purchase program had no effect on financial markets and should be phased out; lingering concerns over economic & fiscal health of some euro-zone nations. But EUR/USD losses tempered by EUR demand from sovereign central banks. EUR/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought; bearish key-reversal-day pattern completed Friday. Support at 1.3935 (Friday's low), then at 1.3909 (Wednesday's low); breach would expose downside to 1.3773 (Tuesday's low), then 1.3635 (Oct. 5 low). Resistance at 1.4046 (hourly chart), then at 1.4161 (Friday's high); breach would reinstate near-term positive bias, targeting 1.4197 (Jan. 25 high), then 1.4216 (previous base set Dec. 22, 2009) and psychological 1.4500.

AUD/USD - to consolidate after setting post-float high of 1.0003 Friday. Pair undermined by softer commodity prices (CRB spot index closed down 3.87 Friday at 296.06); profit-taking on Aussie-long. But AUD/USD losses

tempered by Aussie-U.S. yield gap; Australia's Treasurer Swan Sunday warning against intervention to curb AUD gains - says efforts to artificially lower value of AUD could invite hyper-inflation as occurred in 1970s. Data focus: 0030 GMT Australia September new motor vehicles sales. AUD/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought, bearish key-reversal-day pattern completed Friday. Support at 0.9861 (Friday's low), then at 0.9831 (Wednesday's low); breach would expose downside to 0.9766 (Tuesday's low), then 0.9707 (Oct. 8 low), 0.9692 (Oct. 6 low) and 0.9540 (Oct. 5 low). Resistance at 0.9946 (hourly chart), then at 1.0003 (Friday's high); breach would reinstate near-term positive outlook, exposing upside to 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 consolidate. Pair undermined by softer commodity prices; profit-taking on Kiwi-longs. But NZD/USD losses tempered by NZD-U.S. yield gap. NZD/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 0.7529 (Friday's low); breach would expose downside to 0.7475 (Tuesday's low), then 0.7424 (Oct. 8 low), 0.7354 (Oct. 5 low), 0.7325 (Oct. 1 low) and 0.7302 (Sept. 30 low). Resistance at 0.7618 (Friday's high), then at 0.7645 (Thursday's 27-month high); breach would reinstate near-term positive bias, exposing upside to 0.7759 (July 15, 2008 reaction high), then 0.7921 (May 27, 2008 reaction high), psychological 0.8000 and 0.8038 (April 23, 2008 reaction high).

GBP/USD - to consolidate after setting fresh 8-month high of 1.6104 Friday. Pair supported by sharp 3.1% rise in UK Rightmove October house price index; but topside limited by profit-taking on sterling-longs; growing expectations of further quantitative easing measures from BOE; concerns over negative impact on UK economy from aggressive fiscal tightening by coalition government - comprehensive spending review will take center stage Wednesday as more in-depth plan of how government plans to make its GBP113 billion savings over next 5 years will be unveiled. GBP/USD daily chart mixed as MACD & stochastics bullish, but bearish shooting-star candlestick pattern completed Friday. Support at 1.5886 (Thursday's low); breach would expose downside to 1.5772 (Wednesday's low), then 1.5756 (Tuesday's reaction low) and 1.5667 (Sept. 30 reaction low). Resistance at 1.6104 (Friday's high); breach would reinstate near-term positive bias, exposing upside to 1.6276 (Jan. 28 high), then 1.6457 (Jan. 19 reaction high).

USD/CHF - to consolidate, supported by USD-short covering; but gains tempered by ultra-loose U.S. monetary policy. Daily chart mixed as 5- & 15-day moving averages falling, but MACD staged bullish crossover against its exponential moving average, stochastics turned bullish at oversold. Resistance at 0.9601 (Friday's high); breach would expose upside to 0.9640 (Wednesday's high), then 0.9730 (Tuesday's reaction high), 0.9789 (Oct. 4 high), 0.9843 (Oct. 1 high) and 0.9877 (Sept. 28 high). Support at 0.9481 (Friday's low), then at 0.9463 (Thursday's record low); breach would reinstate near-term negative bias, exposing downside to psychological round-numbered levels from 0.9400 down to 0.9000.

USD/CAD - to consolidate with risks skewed higher. Pair buoyed by USD-short covering, softer commodity & oil prices (Nymex crude settled down \$1.44 Friday at \$81.25/bbl); expectations BOC could pause its monetary tightening campaign at tomorrow's policy announcement. But USD/CAD gains tempered by ultra-loose U.S. monetary policy; big 2.0% rise in Canadian August manufacturing shipments (vs +0.5% forecast). Data focus: 1230 GMT Canada August international transactions in securities. USD/CAD daily chart mixed as MACD bearish, but stochastics turned bullish at oversold. Resistance at 1.0138 (Friday's high); breach would expose upside to 1.0183 (Tuesday's high), then 1.0227 (Oct. 8 high), 1.0272 (Oct. 5 high) and 1.0313 (Oct. 1 high, near 55-day moving average). Support at 1.0008 (Friday's low), then at 0.9980 (Thursday's 5-month low); breach would reinstate near-term negative bias, exposing downside to 0.9926 (April 21 low), then 0.9816 (May 21, 2008 reaction low) and 0.9708 (Feb. 28, 2008 reaction low).

EUR/JPY - to trade with risks skewed lower. Cross weighed by Japan exporter sales; but losses tempered by fears of further Japan JPY-selling intervention, Japan importer demand. Daily chart negative-biased as MACD

bearish, stochastics falling, 5-day moving average staged bearish crossover against 15-day. Support at 113.53 (Friday's low); breach would expose downside to 112.82 (Tuesday's low), then 112.64 (Sept. 28 low), 112.15 (Sept. 23 low) and 111.44 (Sept. 21 low). Resistance at 114.79 (Thursday's high), then at 114.95 (Oct. 8 high); breach would expose upside to 115.68 (Oct. 7 high), then psychological levels of 116 and 117 (matching 200-day moving average).

EUR/GBP - to trade with risks skewed lower. Daily chart negative-biased as stochastics turned bearish at overbought, MACD staging bearish crossover against its exponential moving average. Support at 0.8717 (Friday's low); breach would target 0.8696 (Tuesday's low), then 0.8682 (Oct. 6 low), 0.8624 (Oct. 5 low), 0.8559 (Sept. 30 low) and 0.8460 (Sept. 22 low). Resistance at 0.8764 (hourly chart), then at 0.8796 (Friday's high); breach would target 0.8820 (Thursday's high), then 0.8839 (Wednesday's 6-month high), 0.8864 (April 14 reaction high) and psychological 0.9000.