

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	87.98-88.64	87.64-88.76
EUR/USD	1.2650-1.2711	1.2619-1.2953
AUD/USD	0.8690-0.8791	0.8655-0.8859
NZD/USD	0.7033-0.7103	0.7019-0.7119
GBP/USD	1.5100-1.5241	1.5077-1.5390
USD/CHF	1.0478-1.0529	1.0431-1.0564
USD/CAD	1.0375-1.0484	1.0338-1.0606
EUR/JPY	111.29-112.50	110.71-113.41
EUR/GBP	0.8341-0.8380	0.8307-0.8425

(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. Pair underpinned by JPY-funded carry trades amid positive risk sentiment (VIX fear gauge eased 4.21% to 25.71), Wall Street's gains overnight (DJIA up 1.2%) as global growth upgrades by IMF lifted investor optimism; 21,000 drop in latest U.S. weekly jobless claims (vs 12,000 fall expected) allayed fears U.S. economic recovery is slowing. USD/JPY also supported by USD demand for import settlements, higher U.S. Treasury yields. But USD/JPY gains tempered by Japan exporter sales, positions adjustment before weekend. Data focus: 1400 GMT U.S. May wholesale trade. USD/JPY daily chart mixed as MACD bearish, but stochastics bullish at oversold. Resistance at 88.64 (yesterday's high), then at 88.76 (July 30 high); breach would target 89.00 (previous base set May 20), then 89.42-89.47 band (June 29 high-June 28 high), 89.77 (June 25 high) and psychological 90.00. Support at 87.98 (hourly chart), then at 87.64 (yesterday's low); breach would target 87.00-86.96 band (Wednesday's low-July 1 low), then psychological round numbers 86.00, 85.00 and 84.81 (Nov. 27 bottom).

EUR/USD - to consolidate with positive bias amid improved investor risk sentiment. No FX impact from yesterday's widely-anticipated ECB decision to keep its main policy rate at 1%. EUR/USD supported by moderating investor concerns over debt-laden euro zone as authorities' release of details of stress tests (such as 17% haircut on Greek government bond holdings) on 91 European banks boosted market confidence in region's banking system; strong 2.6% on-month rise in German May industrial output (vs +1.0% expected). But EUR/USD gains tempered by positions adjustment before weekend. Data focus: 0600 GMT German June CPI, German May manufacturing turnover. EUR/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought; suggesting sideways or higher EUR/USD trading near-term. Resistance at 1.2711 (yesterday's high); breach would expose upside to 1.2953 (100-day moving average), then psychological 1.3000 and 1.3093 (May 10 high). Support at 1.2650 (hourly chart), then at 1.2619 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.2552 (Wednesday's low), then 1.2478 (low on both July 2 & Tuesday), 1.2397 (previous cap set June 28) and 1.2192 (July 1 low).

AUD/USD - to consolidate with bullish bias. Pair underpinned by AUD demand for long-AUD carry trades on increased investor risk appetite; yesterday's better-than-expected Australian June jobs data which increased speculation RBA could hike rates again sooner rather than later; firmer commodity prices (CRB spot index closed up 1.27 yesterday at 259.51). But AUD/USD gains tempered by worries about slowdown in China's economic growth which would crimp demand for Australia's exports; positions adjustment before weekend. AUD/USD daily chart positive-biased as MACD & stochastics in bullish mode; bullish parabolic stop-and-reverse signal hit at 0.8695 yesterday. Resistance at 0.8791 (yesterday's high); breach would expose upside to 0.8859 (June 21

reaction high), then 0.8881 (100-day moving average), 0.8975 (200-day moving average) and psychological 0.9000. Support at 0.8690 (hourly chart), then at 0.8655 (55-day moving average) and 0.8619 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.8447 (Wednesday's low), then 0.8315 (low on both July 1 & Tuesday) and 0.8265 (June 10 low).

NZD/USD - to consolidate with bullish bias. Pair underpinned by NZD demand for long-NZD carry trades on stronger investor risk appetite, firmer commodity prices; but gains tempered by worries over China economic growth slowdown, positions adjustment before weekend. NZD/USD daily chart positive-biased as MACD & stochastics in bullish mode; bullish parabolic stop-and-reverse signal hit at 0.7051 yesterday. Resistance at 0.7103 (yesterday's high), then at 0.7119 (200-day moving average); breach would expose upside to 0.7162 (June 23 reaction high), then 0.7199 (May 12 high) and 0.7295 (May 10 reaction high). Support at 0.7033 (hourly chart), then at 0.7019 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.6882 (Wednesday's low), then 0.6821 (Tuesday's low), 0.6791 (July 1 low) and 0.6691 (June 10 low).

GBP/USD - to range-trade. No FX impact from yesterday's widely-anticipated BOE decision to keep its main policy rate at 0.5%. GBP/USD supported by positive investor risk sentiment; but GBP sentiment dented by surprise 0.6% on-month drop in Halifax June house price index (vs forecast for no change), sharp downward revision to UK April's industrial output data; lingering concerns over negative impact of fiscal tightening on UK economy. Data focus: 0830 GMT UK May global goods trade balance, June producer prices. GBP/USD daily chart mixed as MACD bullish, stochastics turned bearish at overbought. Resistance at 1.5241 (yesterday's high); breach would expose upside to 1.5390 (April 30 reaction high), then 1.5498 (April 26 reaction high) and 1.5523 (April 15 reaction high). Support at 1.5100 (yesterday's low), then at 1.5077 (Wednesday's low); breach would tilt near-term outlook toward negative, exposing downside to 1.4989 (100-day moving average), then 1.4871 (July 1 low), 1.4854 (June 25 low), 1.4816 (55-day moving average) and 1.4800 (June 23 low).

USD/CHF - to consolidate with bearish bias. Pair undermined by broadly weak USD undertone, improvement in Swiss unemployment rate to 3.7% in June from May's 3.8%. But USD/CHF losses tempered by short-CHF carry trades on elevated investor risk appetite; positions adjustment before weekend. Daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower USD/CHF trading near-term. Support at 1.0478 (yesterday's low); breach would expose downside to 1.0431 (April 1 reaction low), then 1.0127 (Jan. 11 reaction low). Resistance at 1.0529 (hourly chart), then at 1.0564 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.0637 (Wednesday's high), then 1.0666-1.0674 band (Tuesday's high-Monday's high), 1.0697 (July 9 high) and 1.0788 (July 1 high).

USD/CAD - to consolidate with bearish bias before 1100 GMT Canada June labor force survey (+20,000 jobs expected vs May's +24,700; unemployment rate seen steady at 8.1%). USD/CAD undermined by increased investor risk appetite, weak global USD, firmer commodity & oil prices (Nymex crude settled up \$1.37 yesterday at \$75.44/bbl). But USD/CAD losses tempered by positions adjustment before weekend. Other data focus: 1215 GMT June housing starts. USD/CAD daily chart negative-biased as stochastics falling from overbought; MACD staging bearish crossover against its exponential moving average; bearish parabolic stop-and-reverse signal hit at 1.0445 yesterday. Support at 1.0375 (yesterday's low); breach would target 1.0338 (June 29 low), then 1.0315 (June 28 reaction low), 1.0302 (100-day moving average) and 1.0178 (June 22 low). Resistance at 1.0484 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.0606 (Wednesday's high), then 1.0677 (high on both June 7 & Tuesday), 1.0746 (May 26 high) and 1.0851 (May 25 reaction high).

EUR/JPY - to trade higher. Cross supported by stronger investor risk appetite; but gains tempered by positions adjustment before weekend. Daily chart positive-biased as MACD & stochastics in bullish mode; 5-day moving average staged bullish crossover against 15-day; bullish parabolic stop-and-reverse signal hit at 111.72

yesterday. Resistance at 112.50 (yesterday's high); breach would expose upside to 113.41 (June 21 reaction high), then 113.72 (55-day moving average), 114.16 (June 3 reaction high) and 114.40 (May 21 reaction high). Support at 111.29 (hourly chart), then at 110.71 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 109.29 (Wednesday's low), then 109.12 (Tuesday's low), 107.47 (July 1 low) and 107.30 (9-year low set June 29).

EUR/GBP - to consolidate with upward bias. Daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher EUR/GBP trading near-term. Resistance at 0.8380 (yesterday's high, matching June 17 reaction high); breach would expose upside to 0.8425 (previous base set May 6, near 55-day moving average), then psychological 0.8500 and 0.8547 (May 28 high). Support at 0.8341 (previous cap set on both Tuesday & Wednesday), then at 0.8307 (yesterday's low); breach would temper near-term positive outlook, targeting 0.8288 (Wednesday's low), then 0.8262 (Tuesday's low), 0.8249 (Monday's low) and 0.8215 (July 9 low).