

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	87.25-88.00	86.80-88.43
EUR/USD	1.2949-1.3045	1.2874-1.3093
AUD/USD	0.8997-0.9068	0.8926-0.9078
NZD/USD	0.7309-0.7395	0.7242-0.7441
GBP/USD	1.5506-1.5600	1.5440-1.5705
USD/CHF	1.0557-1.0640	1.0474-1.0675
USD/CAD	1.0304-1.0395	1.0249-1.0434
EUR/JPY	113.38-114.41	112.75-115.49
EUR/GBP	0.8315-0.8365	0.8288-0.8415

(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 last 82.15 vs Monday's 82.087 settlement) as investor fear gauge VIX rose 2.02% to 23.19. USD/JPY supported by higher U.S. Treasury yields, USD demand for import settlements; but gains tempered by Japan exporter sales; weaker-than-consensus U.S. Conference Board consumer confidence index (fell to 50.4 in July from revised 54.3 in June, vs 50.8 expected), expectations U.S. Federal Reserve will keep interest rates at record low near zero well into 2011. No strong cue for yen carry trades from Wall Street overnight after U.S. stocks closed mixed (DJIA up 0.12%, Nasdaq down 0.36%). Data focus: 1230 GMT U.S. June durable goods orders, 1800 GMT Fed Beige Book. USD/JPY daily chart still positive-biased as MACD & stochastics in bullish mode. Support at 87.25 (hourly chart); breach would expose downside to 86.80-86.71 band (yesterday's low-Friday's low), then 86.32-86.25 band (Thursday's low-July 16 low), psychological round-numbered levels of 86.00, 85.00, and 84.81 (Nov. 27 bottom). Resistance at 87.97-88.00 band (yesterday's high-previous base set July 13); breach would expose upside to 88.43 (July 15 high), then 89.11-89.15 band (July 14 high-July 12 high) and 89.42-89.47 band (June 29 high-June 28 high).

EUR/USD - to consolidate after hitting fresh 11-week high of 1.3045 yesterday. Pair supported by improved investor confidence in euro zone's financial sector after results of stress tests of European banks; news BIS would relax capital & liquidity rules; stronger-than-expected German August GfK consumer climate index (surged to 3.9 from 3.6 in July, vs 3.5 forecast). But EUR/USD gains tempered by diminished investor risk appetite; EUR sales on softer EUR/GBP cross. Data focus: German July provisional CPI. EUR/USD daily chart still positive-biased as MACD & stochastics in bullish mode, although latter near overbought, suggesting sideways or higher EUR/USD trading near-term. Support at 1.2949 (yesterday's low); breach would expose downside to 1.2874 (Monday's low), then 1.2791 (Friday's low), 1.2730 (July 21 low) and 1.2707 (July 15 low). Resistance at 1.3045 (yesterday's high); breach would target 1.3093 (May 10 high), then 1.3124 (38.2% Fibonacci correction of 1.5144-1.1875 Nov. 25-June 7 decline) and 1.3342 (April 30 reaction high).

AUD/USD - to consolidate after hitting 11-week high of 0.9068 yesterday. Spotlight on 0130 GMT Australia 2Q CPI. AUD/USD underpinned by Aussie-USD yield gap, speculation RBA may hike rates next month. But AUD/USD gains tempered by moderating investor risk appetite, softer commodity prices (CRB spot index closed down 2.2 yesterday at 264.46). AUD/USD daily chart mixed as MACD bullish, but stochastics turning bearish at overbought, bearish shooting-star candlestick pattern completed yesterday. Support at 0.8997 (yesterday's low); breach would expose downside to 0.8926 (Monday's low), then 0.8894 (Friday's low), 0.8875 (base of

ascending channel formed with July 6 low of 0.8315 and July 8 high of 0.8791), 0.8735 (Thursday's low) and 0.8665 (July 20 low). Resistance at 0.9068 (yesterday's high), then at 0.9078 (May 10 reaction high); breach would expose upside to 0.9283 (top of channel).

NZD/USD - to consolidate with risks skewed lower after hitting 6-month high of 0.7395 yesterday. Pair undermined by waning investor risk appetite, softer commodity prices. But NZD/USD losses tempered by Kiwi-USD yield gap, expectations RBNZ may hike rates at its review tomorrow. Data focus: 0300 GMT NZ July NBNZ business outlook. NZD/USD daily chart mixed as MACD bullish, but stochastics turning bearish at overbought, bearish shooting-star candlestick pattern completed yesterday. Support at 0.7309 (yesterday's low); breach would expose downside to 0.7242 (Monday's low), then 0.7222 (Friday's low), 0.7092 (Thursday's low) and 0.7041 (July 20 low). Resistance at 0.7395 (yesterday's high); breach would reinstate near-term positive bias, exposing upside to 0.7441 (Jan. 14 reaction high), then 0.7521 (Nov. 16, 2009 reaction high) and 0.7634 (Oct. 21, 2009 top).

GBP/USD - to consolidate with bullish bias after hitting 5-month high of 1.5600 yesterday. Pair underpinned by UK CBI distributive trades survey showing July retail sales posted strongest growth in more than 3 years (sales balance soared to +33 from -5 in June, well above +8 forecast), suggesting UK economy gradually recovering from recession; GBP demand on softer EUR/GBP cross. But GBP/USD gains tempered by subdued investor risk appetite, lingering concerns over negative impact of fiscal consolidation on UK economy. Data focus: 1000 GMT UK June Land Registry house price index. GBP/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.5600 (yesterday's high); breach would expose upside to 1.5705 (previous base set Oct. 13, 2009), then 1.5816 (Feb. 17 reaction high) and psychological 1.6000. Support at 1.5506 (hourly chart); breach would expose downside to 1.5440 (yesterday's low), then 1.5407 (Monday's low), 1.5251 (Friday's low) and 1.5123 (July 21 reaction low).

USD/CHF - to consolidate with bullish bias. Pair supported by broadly-firmer USD undertone, CHF sales on rising EUR/CHF cross. Daily chart positive-biased as MACD & stochastics in bullish mode; bullish parabolic stop-and-reverse signal hit at 1.0588 yesterday; 5-day moving average staging bullish crossover against 15-day. Resistance at 1.0640 (yesterday's high, matching 200-day moving average); breach would expose upside to 1.0675 (July 12 reaction high), then 1.0697 (July 2 high), 1.0707 (23.6% Fibonacci correction of 1.1730-1.0391 June 1-July 22 decline) and 1.0902 (38.2% correction, matching 100-day moving average). Support at 1.0557 (hourly chart); breach would expose downside to 1.0474 (yesterday's low), then 1.0456 (Monday's low), 1.0405 (Friday's low) and 1.0391 (Thursday's low).

USD/CAD - to consolidate with risks skewed higher. Pair supported by dissipating risk appetite, softer commodity & oil prices (Nymex crude settled down \$1.48 yesterday at \$77.50/bbl), broadly-firmer USD undertone; worries about adverse impact of slowing U.S. GDP growth on Canadian economy. But USD/CAD gains tempered by expectations BOC to continue raising interest rates gradually in coming months. USD/CAD daily chart mixed as MACD bearish, but stochastics turning bullish near oversold. Resistance at 1.0395 (yesterday's high); breach would expose upside to 1.0434 (Friday's high), then 1.0503 (Thursday's high), 1.0586 (July 20 high) and 1.0606 (July 7 high). Support at 1.0304 (hourly chart); breach would target 1.0249 (yesterday's low), then 1.0178 (June 22 low), 1.0133 (June 21 reaction low) and 1.0105 (May 13 reaction low).

EUR/JPY - to consolidate after hitting 2-month high of 114.41 yesterday. Daily chart still positive-biased as MACD & stochastics in bullish mode, although latter at overbought. Support at 113.38 (hourly chart); breach would expose downside to 112.75 (yesterday's low), then 112.19 (Monday's low), 111.55 (Friday's low) and 110.02 (Thursday's low). Resistance at 114.41 (yesterday's high, matching May 21 reaction high); breach would expose upside to 115.49 (May 18 high), then 117.13 (100-day moving average) and 118.72 (May 13 high).

EUR/GBP - to trade lower. Daily chart negative-biased as stochastics bearish; 5-day moving average staged bearish crossover against 15-day. Support at 0.8322-0.8315 band (Monday's low-Friday's low); breach would target 0.8288 (July 7 low), then 0.8262 (July 6 low), 0.8215 (July 2 low) and 0.8163 (July 1 low). Resistance at 0.8365 (hourly chart); breach would expose upside to 0.8415 (yesterday's high), then 0.8466 (Thursday's high), 0.8478 (July 21 high), 0.8531 (July 19 high) and 0.8547 (May 28 high).

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