

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	85.00-85.75	84.81-86.22
EUR/USD	1.3225-1.3342	1.3155-1.3510
AUD/USD	0.9140-0.9221	0.9114-0.9260
NZD/USD	0.7266-0.7344	0.7243-0.7356
GBP/USD	1.5938-1.6002	1.5837-1.6069
USD/CHF	1.0328-1.0439	1.0127-1.0508
USD/CAD	1.0200-1.0306	1.0141-1.0375
EUR/JPY	112.54-113.75	111.99-113.90
EUR/GBP	0.8288-0.8337	0.8268-0.8379

(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 bearish bias amid negative USD sentiment (ICE spot dollar index settled down 0.5% Friday at 80.407) as fears over slowing economic recovery intensified & increasing expectations U.S. Federal Reserve will announce additional easing measures at tomorrow's FOMC meeting after U.S. July non-farm payrolls fell 131,000 (vs 60,000 decline consensus forecast), though unemployment rate held steady at 9.5% vs 9.6% expected. USD/JPY also weighed by lower U.S. Treasury yields, Japan exporter sales. But USD/JPY losses tempered by USD demand for import settlements, fears of Japan FX intervention, JPY-funded carry trades as risk aversion eases (VIX fear down 1.634% to 21.74) after U.S. stocks pared losses to close modestly lower (DJIA off 0.2% or 21 points, was down almost 160 points at one stage) Friday on expectations Fed will take further measures tomorrow to stimulate economy. Data focus: 2350 GMT Japan July M2 money stock, July bank lending, June balance of payments, July international transactions in securities, 0500 GMT Japan July economy watchers survey, 1400 GMT U.S. July employment trends index. USD/JPY daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower USD/JPY trading near-term. Support at 85.00 (Friday's low); breach would target 84.81 (Nov. 27 bottom), then psychological 84.00. Resistance at 85.75 (hourly chart), then at 86.22 (Friday's high) and 86.49 (Thursday's high); breach would temper near-term negative outlook, targeting 86.66 (Tuesday's high), then 86.88-86.93 band (Aug. 2 high-Aug. 6 high) and 87.51 (July 29 high).

EUR/USD - to consolidate with bullish bias. Pair supported by broad-based USD weakness. But EUR sentiment dented by surprise 0.6% on-month drop in German June industrial production (vs forecast for 0.7% increase). Data focus: 0600 GMT German June manufacturing turnover, German June trade balance. EUR/USD daily positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher EUR/USD trading near-term. Resistance at 1.3333-1.3342 band (Friday's high-April 30 reaction high); breach would expose upside to 1.3510 (50% Fibonacci correction of 1.5144-1.1875 Nov. 25-June 7 decline), then 1.3536 (200-day moving average). Support at 1.3225 (hourly chart), then at 1.3155 (Friday's low); breach would temper near-term positive outlook, targeting 1.3117 (Thursday's low), then 1.3051 (Aug. 2 low), 1.2978 (Aug. 6 low) and 1.2949 (July 27 low).

AUD/USD - to consolidate with bullish bias. Pair supported by bearish USD sentiment, Aussie-U.S. yield gap; but gains tempered by weaker commodity prices (CRB spot index ended down 2.96 Friday at 274.71). Data focus: 0130 GMT Australia June housing finance approvals, July ANZ job ads, 0630 GMT Australia July official reserve assets. AUD/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at 0.9221 (Friday's high); breach would

target 0.9260 (upper trendline of rising wedge formed with July 6 low of 0.8315 & July 8 high of 0.8791), then 0.9324 (April 30 reaction high) and 0.9382 (April 12 top). Support at 0.9140 (lower trendline of rising wedge); breach would temper near-term positive outlook, targeting 0.9114 (Thursday's low), then 0.9093 (Wednesday's low), 0.9068 (Tuesday's low) and 0.8963 (Aug. 6 low).

NZD/USD - to range-trade. Pair supported by negative USD sentiment, Kiwi-U.S. yield advantage; but gains tempered by weaker commodity prices, speculation RBNZ could pause its monetary policy tightening cycle after last week's disappointing NZ 2Q unemployment data. NZD/USD daily chart mixed as stochastics bearish at overbought, but MACD still in bullish mode, while inside-day-range pattern completed Friday. Resistance at 0.7344 (Friday's high, then at 0.7356 (Wednesday's high)); breach would expose upside to 0.7395 (6-month high set July 27), then 0.7441 (Jan. 14 reaction high) and 0.7521 (Nov. 16, 2009 reaction high). Support at 0.7266 (Friday's low), then at 0.7243 (Thursday's low); breach would expose downside to 0.7186 (Aug. 6 low), then 0.7104 (200-day moving average), 0.7092 (July 22 low) and 0.7027 (July 19 reaction low).

GBP/USD - to consolidate with bullish bias. Pair underpinned by negative USD sentiment; but gains tempered by surprise 0.5% on-month drop in UK June industrial production (vs forecast for 0.6% increase), concerns over negative impact of fiscal tightening on UK economic growth. GBP/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.6002 (Friday's high); breach would expose upside to 1.6069 (Feb. 3 reaction high), then 1.6276 (Jan. 28 high). Support at 1.5938 (hourly chart); then at 1.5837 (Friday's low) and 1.5818 (Thursday's low); breach would temper near-term positive outlook, exposing downside to 1.5694 (Aug. 2 low), then 1.5549-1.5543 band (Aug. 6 low-July 28 low) and 1.5526 (200-day moving average).

USD/CHF - to consolidate with bearish bias. Pair weighed by broad-based USD weakness, decline in Swiss July unemployment rate to 3.6% from 3.7% in June. Daily chart negative-biased as stochastics turned bearish, 5-day moving average below 15-day moving average and falling. Support at 1.0328 (Friday's low); breach would expose downside to 1.0127 (Jan. 11 reaction low), then parity. Resistance at 1.0439 (hourly chart), then at 1.0508 (Friday's high); breach would temper near-term negative outlook, targeting 1.0542 (Thursday's high), then 1.0557 (Wednesday's reaction high), 1.0579 (July 29 high) and 1.0640 (July 27 reaction high).

USD/CAD - to trade with risks skewed higher. Pair underpinned by weaker commodity & oil prices (Nymex crude settled down \$1.31 Friday at \$80.70/bbl), surprise 9,300 decline in July Canadian jobs (vs forecast for 10,000 increase) while unemployment rate rose to 8.0% from 7.9% in June (vs 7.9% consensus forecast). But USD/CAD gains tempered by weaker global USD. USD/CAD daily chart mixed as MACD bearish, but stochastics turned bullish at oversold. Resistance at 1.0306 (Friday's high, matching 100-day moving average); breach would expose upside to 1.0375 (Aug. 6 high), then 1.0395 (July 27 high, matching 200-day moving average) and 1.0503 (July 22 high). Support at 1.0200 (hourly chart); breach would expose downside to 1.0141 (Friday's low), then 1.0102 (Thursday's low), 1.0010 (April 29 low) and 0.9926 (April 21 reaction low).

EUR/JPY - to consolidate. Daily chart neutral as 5- & 15-day moving averages meandering sideways. Resistance at 113.75 (Friday's high), then at 113.90 (Thursday's high) and 114.13-114.22 band (Tuesday's high-July 29 high); breach would expose upside to 114.73 (July 28 high), then 115.49 (May 18 high) and 116.32 (100-day moving average). Support at 112.54 (Friday's low); breach would expose downside to 111.99 (Aug. 6 low), then 111.55 (July 23 low) and 110.02 (July 22 low).

EUR/GBP - to consolidate. Daily chart mixed as MACD bearish, but stochastics turned bullish at oversold. Resistance at 0.8337 (Friday's high); breach would expose upside to 0.8379 (Aug. 6 high), then 0.8395 (July 29

high), 0.8415 (July 27 high) and 0.8466 (July 22 high). Support at 0.8288 (Friday's low); breach would target 0.8268 (Tuesday's low), then 0.8252 (Aug. 2 low), 0.8215 (July 2 low), 0.8163 (July 1 low) and 0.8065 (June 29 trough).