

# 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	85.15-86.24	84.90-86.49
EUR/USD	1.2779-1.2875	1.2730-1.2932
AUD/USD	0.8912-0.9008	0.8902-0.9056
NZD/USD	0.7061-0.7160	0.7027-0.7266
GBP/USD	1.5560-1.5618	1.5549-1.5716
USD/CHF	1.0461-1.0525	1.0356-1.0626
USD/CAD	1.0416-1.0503	1.0300-1.0586
EUR/JPY	109.12-110.88	107.30-111.64
EUR/GBP	0.8199-0.8266	0.8163-0.8321

(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 trade with risks skewed higher as yen sentiment hurt by fears of Japan FX intervention: BOJ in market yesterday asking for quotes essentially viewed as form of verbal intervention stronger than "jawboning", with central bank reminding market of its presence; Finance Minister Noda warning he's in contact with other major countries, will take appropriate steps with BOJ on yen. USD/JPY also supported by USD demand for import settlements, higher U.S. Treasury yields, positions adjustment before weekend; but topside limited by Japan exporter sales, ultra-loose U.S. monetary policy, unwinding of short-JPY carry trades amid worsening risk appetite (VIX fear gauge up 1.34% at 25.73), Wall Street's losses overnight (DJIA off 0.57%, Nasdaq off 0.83%) on surprise 2,000 rise in latest U.S. weekly jobless claims to 6-month high of 484,000 (vs forecast for 14,000 fall), Cisco Systems' revenue warning. Data focus: 2350 GMT Japan July BOJ monetary policy meeting minutes, 1230 GMT U.S. July retail & food sales, U.S. July CPI, 1355 GMT August University of Michigan preliminary survey of consumers. USD/JPY daily chart positive-biased as stochastics rising from oversold, MACD staging bullish crossover against its exponential moving average. Resistance at 86.24 (Tuesday's high); breach would target 86.49 (Aug. 5 high), then 86.93 (July 30 high), 87.51 (July 29 high) and 88.11 (July 28 reaction high). Support at 85.15 (hourly chart), then at 84.90 (yesterday's low) and 84.71 (Wednesday's 15-year low); breach would reinstate near-term negative bias, exposing downside to psychological round-numbered levels from 84.00 down to 80.00, then 79.70 (record low set April 19, 1995).

EUR/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-EUR carry trades on increased risk aversion, concerns over creditworthiness of Irish banks, 1.5% contraction in Greek 2Q GDP (vs 1.0% decline expected) as government austerity measures bit deeply into incomes; surprise 0.1% on-month decline in euro-zone June industrial production (vs forecast for 0.5% rise). But EUR/USD losses tempered by positions adjustment before weekend. Data focus: 0600 GMT German 2Q GDP (1st release), 0900 GMT euro-zone 2Q flash estimate GDP, euro-zone June trade balance. EUR/USD daily chart negative-biased as MACD & stochastics bearish; 5-day moving average staged bearish crossover against 15-day. Support at 1.2779 (yesterday's low); breach would expose downside to 1.2730 (July 21 reaction low), then 1.2608 (55-day moving average) and 1.2520 (July 13 reaction low). Resistance at 1.2875 (hourly chart), then at 1.2932 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.3190 (Wednesday's high), then 1.3234 (Tuesday's high), 1.3307 (Monday's high) and 1.3333-1.3342 band (Aug. 6 high-April 30 reaction high).

AUD/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-AUD carry trades on higher risk aversion, lingering effect of disappointing Australian July unemployment data yesterday. But AUD/USD losses tempered by Aussie-USD yield gap, positions adjustment before weekend. No strong cue from commodity

prices as CRB spot index closed up just 0.08 yesterday at 268.91. AUD/USD daily chart negative-biased as MACD & stochastics bearish, 5-day moving average staging bearish crossover against 15-day; though spinning-top candlestick pattern completed yesterday. Support at 0.8912 (yesterday's low), then at 0.8902 (July 28 reaction low); breach would expose downside to 0.8852 (100-day moving average), then 0.8735 (July 22 reaction low), 0.8727 (55-day moving average) and 0.8631 (July 19 reaction low). Resistance at 0.9008 (yesterday's high); breach would expose upside to 0.9056 (previous base set Tuesday), then 0.9166 (Tuesday's high), 0.9205 (Monday's high) and 0.9221 (Aug. 6 high).

NZD/USD - to consolidate. Pair undermined by unwinding of long-NZD carry trades on lower risk appetite; but losses tempered by stronger-than-expected 1.3% on-quarter increase in NZ 2Q retail sales (vs +0.2% forecast), Kiwi-USD yield gap, positions adjustment before weekend. NZD/USD daily chart still negative-biased as MACD & stochastics bearish. Support at 0.7061 (yesterday's low, matching confluence of 55-day & 100-day moving averages); breach would target 0.7027 (July 19 reaction low), then 0.6821 (July 6 reaction low) and 0.6791 (July 1 reaction low). Resistance at 0.7160 (yesterday's high), then at 0.7186 (previous base set July 30); breach would expose upside to 0.7246 (Wednesday's high), then 0.7291 (Tuesday's high), 0.7343 (Monday's high) and 0.7356 (Aug. 4 high).

GBP/USD - to trade with bearish bias. Pair undermined by higher investor risk aversion, recent raft of weak UK economic data, concerns over negative impact of fiscal tightening on UK economic growth. But GBP/USD losses tempered by positions adjustment before weekend. GBP/USD daily chart negative-biased as MACD & stochastics bearish, 5-day moving average staging bearish crossover against 15-day. Support at 1.5560 (yesterday's low), then at 1.5549 (July 30 low); breach would target 1.5525 (uptrend line from June 8 low of 1.4344), then 1.5508 (200-day moving average) and 1.5471 (previous cap set July 15) - after which there's no significant until 1.5160 (55-day moving average) and 1.5123 (July 21 reaction low). Resistance at 1.5618 (hourly chart); breach would expose upside to 1.5716 (yesterday's high), then 1.5866 (Wednesday's high), 1.5910 (Tuesday's high) and 1.6002 (Aug. 6 high).

USD/CHF - to consolidate. Pair underpinned by broadly stronger USD undertone; but topside limited by unwinding of short-CHF carry trades amid higher risk aversion. Data focus: 0715 GMT Swiss July PPI & import price index. Daily chart still positive-biased as MACD & stochastics in bullish mode. Resistance at 1.0525 (hourly chart); breach would expose upside to 1.0626 (Wednesday's high), then 1.0640 (July 27 reaction high), 1.0675 (July 12 high), 1.0830 (55-day moving average) and 1.0886 (100-day moving average). Support at 1.0461 (yesterday's low, roughly matching Tuesday's low); breach would expose downside to 1.0356 (Monday's low), then 1.0328 (Aug. 6 low) and 1.0127 (Jan. 11 reaction low).

USD/CAD - to consolidate with risks skewed lower. Pair undermined by strong CAD demand on CAD crosses because Canada's fundamentals viewed as being relatively stronger versus that of many other major economies. USD/CAD also undermined by positions adjustment before weekend; but losses tempered by negative risk sentiment, weaker oil prices (Nymex crude settled down \$2.28 yesterday at \$75.74/bbl). Data focus: 1230 GMT Canada June new motor vehicle sales. USD/CAD daily chart still positive-biased as MACD & stochastics in bullish mode, although latter near overbought. Support at 1.0416 (yesterday's low); breach would expose downside to 1.0300 (Wednesday's low), then 1.0252 (Monday's low), 1.0141 (Aug. 6 low) and 1.0102 (Aug. 5 low). Resistance at 1.0494-1.0503 band (yesterday's high-July 22 high); breach would expose upside to 1.0586 (July 20 reaction high), then 1.0677 (July 6 reaction high) and 1.0851 (May 25 reaction high).

EUR/JPY - to consolidate with risks skewed higher. Cross buoyed by fear of yen intervention by Japan, adjustment of speculative positions before weekend; but topside limited by unwinding of carry trades on diminished investor risk appetite. Daily chart still negative-biased as MACD & stochastics in bearish mode, though spot back above support at July 22 low of 109.98 broken Wednesday. Resistance at 110.88 (yesterday's high); breach would expose upside to 111.64 (55-day moving average), then 112.66 (Wednesday's high),

113.93 (Monday's high), 114.17 (Aug. 2 high) and 114.73 (July 28 high). Support at 109.21-109.12 band (yesterday's low-July 6 low); breach would expose downside to 107.30 (9-year low set June 29), then 106.76 (Nov. 8, 2001 reaction low).

EUR/GBP - to consolidate. Daily chart still negative-biased as MACD & stochastics bearish, but latter at oversold. Resistance at 0.8266 (yesterday's high); breach would expose upside to 0.8321 (Wednesday's high), then 0.8364 (Tuesday's high), 0.8379 (July 30 high) and 0.8395 (July 29 high). Support at 0.8199 (yesterday's low); breach would expose downside to 0.8163 (July 1 low), then 0.8065 (19-month low when hit June 29), psychological 0.8000 and 0.7807 (Oct. 21, 2008 reaction low).