

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	85.04-85.68	84.87-85.91
EUR/USD	1.2644-1.2731	1.2604-1.2832
AUD/USD	0.8839-0.8982	0.8808-0.9018
NZD/USD	0.7032-0.7124	0.6993-0.7156
GBP/USD	1.5460-1.5620	1.5325-1.5672
USD/CHF	1.0300-1.0465	1.0284-1.0534
USD/CAD	1.0441-1.0586	1.0378-1.0677
EUR/JPY	107.30-108.87	106.76-109.62
EUR/GBP	0.8139-0.8179	0.8065-0.8248

(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. USD/JPY softer as Tokyo displaying more relaxed attitude over current yen strength; PM Kan & BOJ Gov. Shirakawa yesterday merely spoke over the phone instead of meeting as widely expected & didn't discuss FX intervention. USD/JPY also weighed by Japan exporter sales, lower U.S. Treasury yields, ultra-loose U.S. monetary policy; unwinding of JPY-funded carry trades amid weaker investor risk tolerance (VIX fear gauge rose 0.67% to 25.66), Wall Street's losses yesterday (DJIA off 0.38%, Nasdaq off 0.92%) as concerns persist over high unemployment, sluggish consumer spending and deflation. But USD/JPY losses tempered by USD demand for import settlements. Data focus: 1230 GMT Fed's Evans speech, 1400 GMT U.S. July existing home sales, August Richmond Fed business activity survey. USD/JPY daily chart mixed as MACD in bullish mode, but stochastics turning bearish, 5-day moving average meandering sideways. Support at 85.04 (yesterday's low), then at 84.87 (Thursday's low); breach would target 84.71 (15-year low set Aug. 11), below which would open way down to psychological round-numbered levels from 84.00 down to 80.00, then 79.70 (record low set April 19, 1995). Resistance at 85.68 (yesterday's high), then at 85.85-85.91 band (Friday's high-Thursday's high); breach would expose upside to 86.28 (Aug. 16 high), then 86.39 (Aug. 13 high), 86.49 (Aug. 5 high) and 86.93 (July 30 high).

EUR/USD - to trade with bearish bias. Pair undermined by lower investor risk tolerance, bigger-than-expected drop in euro-zone flash composite PMI to 56.1 in August from 56.7 in July (vs 56.4 forecast), lingering effect of dovish comments from normally hawkish Bundesbank President Weber Friday, Moody's warning poor growth throughout euro zone may force credit-rating agencies to downgrade some member countries if their economies begin to suffer due to tight austerity budgets. But EUR sentiment soothed by stronger-than-expected rise in euro-zone consumer confidence to -11.7 in August from -14.0 in July (vs -13 forecast). Data focus: 0600 GMT German 2Q GDP, 0900 GMT euro-zone June new industrial orders. EUR/USD daily chart negative-biased as MACD & stochastics bearish, although latter at oversold, suggesting sideways or lower EUR/USD trading near-term. Support at 1.2644 (yesterday's low); breach would expose downside to 1.2604 (50% Fibonacci correction of advance from June 7 low of 1.1875 to Aug. 6 high of 1.3333), then 1.2520 (July 13 reaction low) and 1.2478 (July 6 low). Resistance at 1.2731 (yesterday's high); breach would expose upside to 1.2832 (Friday's high), then 1.2902 (Thursday's high), 1.2923-1.2932 band (Wednesday's high-Aug. 12 high) and psychological 1.3000.

AUD/USD - to trade with bearish bias. Pair undermined by unwinding of long-AUD carry trades on decreased investor risk tolerance, weaker commodity prices (CRB spot index ended down 0.98 yesterday at 266.03), political uncertainty in Australia. But AUD/USD losses tempered by Aussie-U.S. yield gap. AUD/USD daily negative-biased as MACD & stochastics in bearish mode. Support at 0.8839 (Friday's low, near 100-day moving

average); breach would expose downside to 0.8808 (55-day moving average), then 0.8779 (38.2% Fibonacci retracement of advance from May 25 low of 0.8065 to Aug. 6 high of 0.9221), 0.8735 (July 22 low) and 0.8643 (50% retracement). Resistance at 0.8982 (yesterday's high); breach would target 0.9018 (Thursday's high), then 0.9058 (Wednesday's high), 0.9082 (Aug. 17 high) and 0.9166 (Aug. 10 high).

NZD/USD - to trade with risks skewed lower. Pair undermined by unwinding of long-NZD carry trades on waning investor risk tolerance, weaker commodity prices. But NZD/USD losses tempered by Kiwi-U.S. yield advantage. NZD/USD daily chart negative-biased as MACD & stochastics in bearish mode. Support at 0.7032 (yesterday's low), then at 0.6999-0.6993 band (Friday's low-Aug. 16 low); breach would expose downside to 0.6882 (July 7 low), then 0.6821 (July 6 reaction low) and 0.6791 (July 1 reaction low). Resistance at 0.7124 (yesterday's high); breach would expose upside to 0.7156 (Thursday's high), then 0.7192 (Wednesday's high), 0.7246 (Aug. 11 high) and 0.7291 (Aug. 10 high).

GBP/USD - to consolidate with bearish bias. Pair undermined by weak investor risk tolerance, contagion from weak EUR, lingering concerns over negative impact of fiscal tightening on UK economic growth. Data focus: 0830 GMT UK July net mortgage approvals & lending. GBP/USD daily chart negative-biased as MACD & stochastic bearish, but latter at oversold. Support at 1.5460 (Friday's low); breach would expose downside to 1.5325 (38.2% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002), then 1.5290 (55-day moving average) and 1.5123 (July 21 reaction low, matching 100-day moving average and 50% correction). Resistance at 1.5620 (yesterday's high); breach would expose upside to 1.5672 (Thursday's high), then 1.5688 (Wednesday's high), 1.5707 (Aug. 16 high) and 1.5866 (Aug. 11 high).

USD/CHF - to consolidate with bullish bias. Pair buoyed by broadly stronger USD undertone (ICE spot dollar index last 83.256 vs Friday's 83.057 settlement), CHF sales on stronger EUR/CHF cross, renewed fears of SNB intervention after central bank President Hildebrand reiterated in newspaper interview Saturday that preserving price stability remains SNB's main goal. But USD/CHF gains tempered by unwinding of short-CHF carry trades on diminished investor risk tolerance. Daily chart positive-biased as MACD & stochastics turned bullish. Resistance at 1.0465 (Thursday's high); breach would expose upside to 1.0534 (Aug. 16 high), then 1.0551 (Aug. 13 high) and 1.0626 (Aug. 11 high). Support at 1.0300 (yesterday's low), then at 1.0284 (Friday's low) and 1.0254 (Thursday's low); breach would expose downside to 1.0127 (Jan. 11 reaction low), then parity, 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough).

USD/CAD - to consolidate with bullish bias. Pair underpinned by low investor risk tolerance, softer commodity & oil prices (Nymex crude settled down 72 cents yesterday at \$73.10). Data focus: 1230 GMT Canada June retail trade. USD/CAD daily chart positive-biased as MACD & stochastics in bullish mode, although latter at overbought. Resistance at 1.0586 (July 20 reaction high); breach would expose upside to 1.0677 (July 6 reaction high), then 1.0851 (May 25 reaction high). Support at 1.0441 (yesterday's low); breach would expose downside to 1.0378 (Friday's low), then 1.0241 (Thursday's low), 1.0141 (Aug. 6 low) and 1.0102 (Aug. 5 reaction low).

EUR/JPY - to consolidate with risks skewed lower. Cross undermined by unwinding of carry trades amid subdued investor risk tolerance. Daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower EUR/JPY trading near-term. Support at 107.30 (9-year low set June 29); breach would expose downside to 106.76 (Nov. 8, 2001 reaction low), then 105.45 (Sept. 4, 2001 reaction low), below which would open way down to psychological round-numbered levels from 105.00 down to 100.00, then 99.85 (June 1, 2001 reaction low). Resistance at 108.87 (yesterday's high); breach would expose upside to 109.62 (Friday's high), then 110.12 (Thursday's high), 110.39-110.43 band (Wednesday's high-Aug. 17 high) and 111.12 (Aug. 13 high).

EUR/GBP - to consolidate. Daily chart still negative-biased as MACD & stochastics bearish, although latter at oversold, suggesting sideways or lower EUR/GBP trading near-term. Support at 0.8139 (yesterday's low); breach would expose downside to 0.8065 (19-month low when hit June 29), then psychological 0.8000. Resistance at 0.8179 (yesterday's high); breach would expose upside to 0.8248 (Thursday's high), then 0.8282 (Wednesday's high), 0.8297 (55-day moving average) and 0.8321 (Aug. 11 high).