

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 | 82.92-83.47 | 82.00-83.75 |
| EUR/USD | 1.2906-1.3033 | 1.2826-1.3047 |
| AUD/USD | 0.9311-0.9458 | 0.9286-0.9500 |
| NZD/USD | 0.7264-0.7395 | 0.7223-0.7441 |
| GBP/USD | 1.5494-1.5586 | 1.5345-1.5597 |
| USD/CHF | 0.9930-1.0057 | 0.9914-1.0097 |
| USD/CAD | 1.0212-1.0305 | 1.0102-1.0345 |
| EUR/JPY | 107.30-108.24 | 106.71-108.95 |
| EUR/GBP | 0.8326-0.8390 | 0.8268-0.8415 |

(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 with bearish bias amid broad-based USD weakness (ICE spot dollar index last 81.24 vs Monday's 81.912 settlement); USD sentiment still weak amid increased talk of further quantitative measures from U.S. Federal Reserve to resurrect moribund U.S. economy. USD/JPY also undermined by lower U.S. Treasury yields, Japan exporter sales, unwinding of JPY-funded carry trades on higher investor risk aversion (CBOE volatility index VIX rose 1.65% to 21.56), although Wall Street closed mixed (DJIA down 0.17%, Nasdaq up 0.18%) despite better-than-expected U.S. August retail sales. But USD/JPY downside limited by USD demand for import settlements, lingering fears about Japan MOF intervention against further JPY strength despite PM Kan victory over challenger Ozawa. Data focus: 1230 GMT U.S. August import & export price indexes, September Empire State manufacturing survey, 1315 GMT U.S. August industrial production & capacity utilization. USD/JPY daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; 5-day moving average below 15-day and falling. Support at 82.92 (yesterday's fresh 15-year low); breach would expose downside to psychological round-numbered levels from 82.00 down to 80.00, then 79.70 (around record low set April 19, 1995). Resistance at 83.47 (hourly chart); breach would expose upside to 83.75 (yesterday's high), then 84.49 (Sept. 6 high), 85.22 (Sept. 3 high) and 85.92 (Aug. 30 high).

EUR/USD - to consolidate with positive bias amid weak USD sentiment, Greece's successful 26-week Treasury bill sale yesterday; but gains tempered by unwinding of long-EUR carry trades on higher risk aversion, weaker-than-expected ZEW September survey of German economic sentiment (index fell sharply to minus 4.3 from +14 in August, vs forecast for drop to +9); flat reading for July's euro-zone industrial output (vs +0.2% expected). Data focus: 0900 GMT EU August harmonized CPI, EU 2Q employment. EUR/USD daily chart positive-biased as MACD & stochastics in bullish mode; bullish parabolic stop-and-reverse signal hit at 1.2907 yesterday. Resistance at 1.3033 (yesterday's high), then at 1.3047 (61.8% Fibonacci correction of 1.3333-1.2584 Aug. 6-Aug. 24 decline); breach would expose upside to 1.3249 (200-day moving average), then 1.3333 (Aug. 6 reaction high). Support at 1.2906 (hourly chart); breach would expose downside to 1.2826 (yesterday's low), then 1.2701 (Monday's low), 1.2642 (Friday's low, near 100-day moving average) and 1.2623 (Aug. 31 low).

AUD/USD - to consolidate with positive bias. Underpinned by weak USD sentiment, firmer commodity prices (CRB spot index settled up 2.57 yesterday at 280.13); but gains tempered by unwinding of long-AUD carry trades on heightened risk aversion. Data focus: 0030 GMT Australia September Westpac-Melbourne Institute consumer sentiment survey, 0100 GMT September skilled vacancies index, 0130 GMT 2Q dwelling unit commencements, August new motor vehicle sales. AUD/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at

0.9458 (yesterday's high); breach would expose upside to psychological round-numbered levels from 0.9500 up to 0.9800, then 0.9849 (July 15, 2008 post-float high). Support at 0.9311 (yesterday's low); breach would temper near-term positive outlook, targeting 0.9286 (Monday's low), then 0.9202 (Friday's low), 0.9168 (Thursday's low) and 0.9089 (Sept. 7 low)).

NZD/USD - to consolidate. Pair underpinned by weak USD sentiment, firmer commodity prices; but gains tempered by unwinding of long-NZD carry trades on diminished risk appetite, caution before RBNZ interest rate decision due 2100 GMT. NZD/USD daily chart mixed as MACD bullish, but stochastics turning bearish at overbought; high-wave candlestick pattern completed yesterday. Resistance at 0.7395 (yesterday's high, matching July 27 reaction high); breach would expose upside to 0.7441 (Jan. 14 reaction high), then 0.7521 (Nov. 16, 2009 reaction high). Support at 0.7264 (yesterday's low); breach would expose downside to 0.7223 (Friday's low), then 0.7196 (Thursday's low), 0.7155 (Sept. 8 low) and 0.7126 (Sept. 3 low).

GBP/USD - to trade with bullish bias. Supported by broad-based USD weakness, rise in Nationwide UK consumer confidence index to 61 in August from 56 in July; higher-than-expected UK August inflation of 3.1% (vs forecast for 3%). But GBP/USD gains tempered by weaker investor risk sentiment, lingering concerns over negative impact of fiscal consolidation on UK economy; plunge in August RICS UK housing price balance to minus 32 from July's minus 8 (vs forecast for minus 13). Data focus: 0830 GMT UK August unemployment. GBP/USD daily chart positive-biased as stochastics bullish, MACD staging bullish crossover against its exponential moving average. Resistance at 1.5586 (yesterday's high), then at 1.5597 (Aug. 26 high) and 1.5620 (Aug. 23 high); breach would expose upside to 1.5707 (Aug. 16 high), then 1.5866 (Aug. 11 high). Support at 1.5494 (hourly chart); breach would expose downside to 1.5345 (yesterday's low, matching Friday's low), then 1.5294 (Sept. 7 low), 1.5123 (July 21 reaction low, near 100-day moving average and 50% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002) and psychological 1.5000.

USD/CHF - to consolidate with bearish bias. Pair undermined by broadly weak USD undertone, unwinding of short-CHF carry trades on higher risk aversion. Data focus: 0900 GMT Swiss September ZEW-Credit Suisse indicator of economic sentiment. Daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; 5-day moving average below 15-day and falling. Support at 0.9930 (yesterday's 10-month low), then at 0.9914 (Nov. 26, 2009 trough); breach would expose downside to psychological round-numbered levels from 0.9900 down to 0.9600, then 0.9572 (record low set March 17, 2008). Resistance at 1.0057 (hourly chart), then at 1.0097 (yesterday's high); breach would expose upside to 1.0205 (Monday's high), then 1.0277 (Friday's high), 1.0315 (Aug. 30 high) and 1.0328 (Aug. 25 high).

USD/CAD - to consolidate. Pair undermined by weaker global USD; but losses tempered by decreased investor risk appetite, weaker oil prices (Nymex crude settled down 39 cents yesterday at \$76.80/bbl). Data focus: 1230 GMT Canada July manufacturing survey. USD/CAD daily chart mixed as MACD & stochastics bearish, but latter at oversold; doji hammer candlestick pattern completed yesterday. Support at 1.0212 (yesterday's low); breach would expose downside to 1.0102 (Aug. 5 reaction low), then 1.0010 (April 29 low). Resistance at 1.0305 (yesterday's high); breach would expose upside to 1.0345 (Monday's high), then 1.0374 (Friday's high, near 200-day moving average), 1.0394 (Thursday's high) and 1.0509 (Sept. 8 high).

EUR/JPY - to consolidate, weighed by unwinding of carry trades amid weaker investor risk appetite, soft USD/JPY undertone. Daily chart mixed as MACD & stochastics bullish; but hanging-man candlestick pattern completed yesterday. Support at 107.30 (hourly chart), then at 106.71 (yesterday's low); breach would expose downside to 106.23 (Friday's low), then 105.93 (Thursday's low), 105.75 (Sept. 8 low) and 105.44 (9-year low set Aug. 24) - below which would expose downside to psychological round-numbered levels from 105.00 down to 100.00, then 99.85 (June 1, 2001 reaction low). Resistance at 108.24 (yesterday's high); breach would expose upside to 108.95 (Sept. 6 high), then 109.54 (Sept. 3 high) and 110.12 (Aug. 19 high).

EUR/GBP - to consolidate with risks skewed higher. Daily chart positive-biased as MACD & stochastics in bullish mode; bullish parabolic stop-and-reverse signal hit at 0.8375 yesterday. Resistance at 0.8386-0.8390 band (yesterday's high-Sept. 6 high), then at 0.8415 (July 27 high); breach would expose upside to 0.8466 (July 22 high), then 0.8478 (July 21 high) and 0.8532 (July 19 reaction high). Support at 0.8326 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.8268 (Monday's low), then 0.8211 (Friday's low), 0.8200 (Sept. 8 low) and 0.8169 (Aug. 31 low).