

# ASIA DAILY FOREX OUTLOOK - Majors

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SINGAPORE (Dow Jones)--Following are expected trading ranges and outlooks for nine major currency pairs today:

	Immediate Range	Larger Range
USD/JPY	83.13-83.58	82.87-83.81
EUR/USD	1.3714-1.3817	1.3617-1.3839
AUD/USD	0.9681-0.9750	0.9634-0.9800
NZD/USD	0.7400-0.7462	0.7325-0.7521
GBP/USD	1.5702-1.5871	1.5667-1.5922
USD/CHF	0.9720-0.9800	0.9706-0.9843
USD/CAD	1.0184-1.0291	1.0102-1.0313
EUR/JPY	114.20-115.00	113.72-115.49
EUR/GBP	0.8656-0.8750	0.8559-0.8773

(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 negative USD sentiment (ICE spot dollar index settled down 0.8% Friday at 78.088, last 78.11) after dovish comments from US Federal Reserve officials Dudley & Evans supporting further steps to stimulate U.S. economic growth, latter suggesting "unconventional policy tools" needed. USD/JPY also undermined by Japan exporter sales; but downside limited by USD demand for import settlements, fear of further Japan MOF JPY-selling intervention, JPY-funded carry trades amid lower risk aversion (VIX fear gauge eased 5.06% to 22.5) as Wall Street ended modestly higher Friday (DJIA up 0.39%, S&P up 0.44%) on better-than-expected University of Michigan final consumer sentiment index for September (rose to 68.2 from preliminary reading of 66.6), U.S. August personal income (+0.5% vs +0.3% forecast) & spending (+0.4% vs +0.3% forecast), surprise rise in U.S. August construction spending (+0.4% vs forecast for 0.5% drop) as well as positive Chinese September manufacturing PMI data, while U.S. ISM manufacturing PMI fell less than expected to 54.4 in September from 56.3 in August (vs 54.0 forecast). Data focus: 2350 GMT Japan September monetary base, 1400 GMT U.S. August pending home sales index. USD/JPY daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5-day moving average below 15-day and falling. Support at 83.13 (Friday's low); breach would expose downside to 82.87 (15-year low set Sept. 15), then psychological round-numbered levels from 82.00 down to 80.00, and 79.75 (record low set April 19, 1995). Resistance at 83.58 (Friday's high), then at 83.81 (Thursday's high); breach would target 84.07 (Wednesday's high), then 84.39 (Sept. 27 high), 85.17 (55-day moving average), 85.38 (Sept. 24 high) and 85.77 (Sept. 21 high).

EUR/USD - to consolidate with positive bias after hitting 7-month high of 1.3809 on EBS this morning. Pair underpinned by weak USD sentiment, decreased investor risk aversion; Chinese Premier Wen saying Sunday China firmly supports Greece's efforts to tackle its sovereign debt crisis, pledging China wouldn't cut its holdings of European bonds; smaller-than-expected fall in euro-zone final September manufacturing PMI to 53.7 from 55.1 in August (vs 53.6 forecast). But EUR sentiment dented by surprise 0.2% drop in German August retail sales (vs forecast for 0.5% gain), elevated euro zone's August unemployment rate of 10.1%; lingering concerns over fiscal health of Ireland, Portugal & Spain. Data focus: 0900 GMT euro-zone August PPI. EUR/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at 1.3817 (March 17 reaction high); breach would target 1.3839 (Feb. 9 reaction high), then 1.3895 (61.8% Fibonacci retracement of decline from Nov. 25 high of 1.5144 to June 7 low of 1.1875), psychological 1.4000 and 1.4026 (Feb. 3 high). Support at 1.3714 (hourly chart), then at 1.3617 (Friday's low); breach would temper near-term positive outlook, exposing downside to 1.3558 (Thursday's low), then 1.3506 (previous cap set Sept. 27), 1.3380 (Tuesday's low) and 1.3284 (Sept. 24 low).

AUD/USD - to consolidate with positive bias after setting 26-month high of 0.9750 Friday. Pair underpinned by weak USD sentiment, AUD demand for long-AUD carry trades on diminished risk aversion. But AUD/USD gains tempered by softer commodity prices (CRB spot index ended down 1.17 Friday at 285.69), caution ahead of RBA interest rate decision tomorrow. AUD/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at 0.9750 (Friday's high); breach would expose upside to psychological 0.9800, then 0.9849 (July 15, 2008 peak), psychological 0.9900 and parity. Support at 0.9681 (hourly chart), then at 0.9634 (Friday's low); breach would temper near-term positive outlook, targeting 0.9622 (Thursday's low), then 0.9557 (Tuesday's low), 0.9461 (Sept. 24 low) and 0.9439 (Sept. 21 low).

NZD/USD - to consolidate with positive bias after setting 11-month high of 0.7462 Friday. Pair underpinned by weak USD sentiment, NZD demand for long-NZD carry trades on subdued risk aversion. But NZD/USD gains tempered by softer commodity prices. NZD/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at 0.7462 (Friday's high); breach would expose upside to 0.7521 (Nov. 16, 2009 reaction high), then 0.7634 (Oct. 21, 2009 reaction high) and 0.7759 (July 15, 2008 reaction high). Support at 0.7400 (hourly chart), then at 0.7325 (Friday's low) and 0.7302 (Thursday's low); breach would temper near-term positive outlook, targeting 0.7268-0.7259 band (Sept. 24 low-Sept. 23 low), then 0.7247 (Sept. 20 low), 0.7234 (Sept. 17 low, near 55-day moving average) and 0.7211 (Sept. 16 low).

GBP/USD - to range-trade. Pair underpinned by weak USD sentiment, waning investor risk aversion. But GBP/USD topside limited by unexpected drop in UK manufacturing PMI to 10-month low of 53.4 in September from 53.7 in August (vs forecast for 53.8); concerns over negative impact of fiscal tightening on UK economy - UK PM Cameron in interview with BBC Sunday touted austerity measures to tackle UK budget deficit & restore fiscal discipline. Data focus: 0830 GMT UK September CIPS construction PMI. GBP/USD daily chart mixed as MACD bullish, but stochastics falling from overbought; inside-day-range pattern completed Friday. Support at 1.5702 (Friday's low), then at 1.5667 (Thursday's low); breach would target 1.5638 (Sept. 24 low), then 1.5600 (Sept. 22 low, near 55-day moving average), 1.5501 (Sept. 21 reaction low) and 1.5446 (Sept. 15 low). Resistance at 1.5871 (Friday's high); breach would expose upside to 1.5922 (Thursday's high), then 1.6002 (Aug. 6 top), 1.6069 (Feb. 3 high) and 1.6276 (Jan. 28 high).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by negative USD sentiment; but downside limited by short-CHF carry trades on receding risk aversion, lingering fears of SNB CHF-selling intervention; worse-than-expected drop in Swiss manufacturing PMI to 59.7 in September from 61.4 in August (vs forecast for 60.3). Daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, 5- & 15-day moving averages falling. Support at 0.9720 (Friday's low), then at 0.9706 (Thursday's low, just above psychological 0.9700); breach would expose downside to psychological 0.9600, then 0.9572 (record low set March 17, 2008 on EBS via CQG). Resistance at 0.9800 (hourly chart), then at 0.9843 (Friday's high); breach would temper near-term negative outlook, targeting 0.9877 (Tuesday's high), then 0.9905 (Sept. 23 high), 0.9985 (Sept. 22 high) and 1.0074 (Sept. 21 high).

USD/CAD - to trade with risks skewed lower. Pair undermined by strong oil prices (Nymex crude settled up \$1.61 Friday at \$81.58/bbl), positive investor risk appetite, weak USD sentiment. But USD/CAD losses tempered by concerns over adverse impact of weak U.S. growth on Canadian economy. USD/CAD daily chart negative-biased as MACD & stochastics turned bearish; bearish parabolic stop-and-reverse signal hit at 1.0223 Friday. Support at 1.0184 (Friday's low); breach would expose downside to 1.0102 (Aug. 5 reaction low), then 1.0010 (April 29 low) and 0.9926 (April 21 trough). Resistance at 1.0291 (hourly chart), then at 1.0313 (Friday's high); breach would temper near-term negative outlook, targeting 1.0346 (Thursday's high), then 1.0361 (Tuesday's high, matching 200-day moving average), 1.0379 (Sept. 23 high) and 1.0394 (Sept. 9 high).

EUR/JPY - to trade with bullish bias. Cross supported by positive global risk sentiment, lingering fears of Japan's JPY-selling intervention. Daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at psychological 115.00; breach would expose upside to 115.49 (May 18 high), then psychological levels of 116 and 117, then 117.97 (200-day moving average). Support at 114.20 (hourly chart), then at 113.72 (Friday's low); breach would temper near-term positive outlook, exposing downside to 112.95 (Thursday's low), then 112.64 (Tuesday's low), 112.15 (Sept. 23 low) and 111.44 (Sept. 21 low).

EUR/GBP - to consolidate with bullish bias after hitting fresh 4-month high of 0.8750 this morning. Daily chart positive-biased as MACD & stochastics bullish, although latter at overbought; meanwhile, 5- & 15-day moving averages rising; all this suggests sideways or higher EUR/GBP trading near-term. Resistance at 0.8750 (this morning's high); breach would target 0.8773 (May 21 reaction high), then 0.8807 (May 7 reaction high), 0.8847 (April 19 high) and 0.8864 (April 14 reaction high). Support at 0.8656 (Friday's low); breach would temper near-term positive outlook, exposing downside to 0.8559 (Thursday's low), then 0.8460 (Sept. 22 low), 0.8387 (Sept. 21 low) and 0.8328 (Sept. 17 low).

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