

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	82.87-83.59	82.00-84.07
EUR/USD	1.3757-1.3859	1.3635-1.3895
AUD/USD	0.9611-0.9725	0.9540-0.9735
NZD/USD	0.7409-0.7497	0.7354-0.7521
GBP/USD	1.5819-1.5930	1.5771-1.6002
USD/CHF	0.9641-0.9737	0.9600-0.9789
USD/CAD	1.0150-1.0225	1.0102-1.0272
EUR/JPY	114.51-115.35	113.85-115.49
EUR/GBP	0.8660-0.8716	0.8624-0.8750

(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, weighed by negative USD sentiment (ICE spot dollar index last 77.80 vs Monday's 78.447 settlement) as expectations of further quantitative easing measures from U.S. Federal Reserve at Nov. 2-3 meeting persist - Fed's Evans in interview with The Wall Street Journal called for aggressive U.S. central bank action to charge up economy, including new program of U.S. Treasury bond purchases, declaration it wants inflation to rise for now beyond its informal 2% target. USD/JPY also undermined by Japan exporter sales, lower U.S. Treasury yields; but downside limited by fear of further Japan MOF JPY-selling intervention; lingering effect from BOJ's surprise decision yesterday to cut its policy rate to zero, announcement of Y5 trillion fund to buy private-, public-sector assets; USD demand for import settlements; JPY-funded carry trades amid positive global risk sentiment (VIX fear gauge down 7.52% at 21.76), strong Wall Street gains overnight (DJIA up 1.8%, Nasdaq up 2.36%) on better-than-expected U.S. September ISM non-manufacturing PMI (rose to 53.2 from 51.5 in August, vs 52.0 forecast), investor confidence that central banks would step in if needed to support global economic recovery. Data focus: 0500 GMT October BOJ monthly report, 1215 GMT U.S. September ADP national employment report, 1300 GMT Treasury Secretary Geithner speaks. USD/JPY daily chart still negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5-day moving average below 15-day and falling. Support at 82.95-82.87 band (yesterday's low-Sept. 15 low); breach would expose downside to psychological round-numbered levels from 82.00 down to 80.00, then 79.75 (record low set April 19, 1995). Resistance at 83.59 (hourly chart); breach would target 83.98-84.07 band (yesterday's high-Sept. 29 high), then 84.39 (Sept. 27 high), 85.10 (55-day moving average), 85.38 (Sept. 24 high) and 85.77 (Sept. 21 high).

EUR/USD - to trade with positive bias. Pair underpinned by expectations of more QE measures from U.S. Federal Reserve, positive global risk sentiment, stronger-than-expected euro-zone September composite PMI of 54.1 (vs 53.6 forecast); EUR demand from sovereign central banks - market chatter EUR/USD shot up yesterday after large U.S. bank stepped in with EUR1 billion buy order on behalf of an Asian central bank. Meanwhile, Rabobank says it's in China's interest to keep EUR from softening as EU is China's biggest trading partner. "In 2009 the EU imported goods worth EUR214.7 bln from China; this is greater than the flow from China to the US. For Chinese exporters, the EUR/CNY exchange rate is consequently of greater importance than USD/CNY." But EUR sentiment dented by larger-than-expected 0.4% on-month fall in euro-zone August retail sales (vs forecast for 0.2% drop); lingering concerns over economic & fiscal health of some euro-zone nations - Moody's said it may cut Ireland's debt rating again. Data focus: 0900 GMT EU 2Q GDP (2nd release), 1000 GMT German August manufacturing orders. EUR/USD daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, suggesting sideways or higher EUR/USD trading near-term. Resistance at 1.3859 (yesterday's high); breach would expose upside to 1.3895 (61.8% Fibonacci retracement of decline from Nov. 25 high of 1.5144 to June 7 low of 1.1875), then psychological 1.4000 and 1.4026 (Feb. 3 minor reaction high). Support at 1.3757 (hourly chart); breach would expose downside to 1.3635 (yesterday's low), then 1.3617 (Friday's low), 1.3558 (Thursday's low), 1.3506 (previous cap set Sept. 27) and 1.3380 (Sept. 28 low).

AUD/USD - to consolidate with positive bias despite RBA's surprise decision yesterday not to hike interest rates. Pair underpinned by negative USD sentiment, AUD demand for long-AUD carry trades on increased investor risk appetite, firmer commodity prices (CRB spot index closed up 4.43 yesterday at 288.42). Data focus: 0300 GMT Australia October DEEWIR leading indicator of employment. 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 0.9725 (yesterday's high), then at 0.9735 (Monday's high) and 0.9750 (Friday's 26-month high); breach would expose upside to psychological 0.9800, then 0.9849 (July 15, 2008 peak), psychological 0.9900 and parity. Support at 0.9611 (hourly chart); breach would expose downside to 0.9540 (yesterday's low), then 0.9461 (Sept. 24 low) and 0.9439 (Sept. 21 low).

NZD/USD - to consolidate with bullish bias. Pair underpinned by expectations of more QE measures from U.S. Federal Rserve, NZD demand for long-NZD carry trades on improved investor risk appetite, firmer commodity prices. NZD/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher NZD/USD trading near-term. Resistance at 0.7497 (yesterday's high); breach would target 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 0.7409 (hourly chart); breach would expose downside to 0.7354 (yesterday's low), then 0.7325 (Friday's low), 0.7302 (Thursday's low), and 0.7268-0.7259 band (Sept. 24 low-Sept. 23 low).

GBP/USD - to consolidate with risks skewed higher. Pair underpinned by negative USD sentiment, higher investor risk appetite, surprise rise in UK services PMI to 52.8 in September from 51.3 in August (vs forecast for dip to 51.2). But GBP/USD gains tempered by lingering concerns over negative impact of fiscal tightening on UK economy. GBP/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher GBP/USD trading near-term. Resistance at 1.5930 (yesterday's high); breach would expose upside to 1.6002 (Aug. 6 high), then 1.6069 (Feb. 3 high) and 1.6276 (Jan. 28 high). Support at 1.5819 (hourly chart); breach would target 1.5771 (yesterday's low), then 1.5748 (Monday's low), 1.5702 (Friday's low), 1.5667 (Thursday's low) and 1.5638 (Sept. 24 low).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by expectations of more QE measures from U.S. Federal Reserve. But USD/CHF downside limited by short-CHF carry trades on stronger investor risk appetite, lingering fears of SNB's CHF-selling intervention. Daily chart negative-biased as MACD & stochastics bearish, although latter at oversold; meanwhile, 5- & 15-day moving averages falling. Support at 0.9641 (yesterday's low); breach would expose downside to psychological 0.9600, then 0.9572 (record low set March 17, 2008 on EBS via COG). Resistance at 0.9737 (yesterday's high); breach would temper near-term negative outlook, targeting 0.9789 (Monday's high), then 0.9843 (Friday's high), 0.9877 (Sept. 28 high), 0.9905 (Sept. 23 high) and 0.9985 (Sept. 22 high).

USD/CAD - to consolidate with bearish bias. Pair undermined by healthier investor risk appetite, negative USD sentiment, stronger commodity & oil prices (Nymex crude settled up \$1.35 yesterday at \$82.82/bbl). But USD/CAD losses tempered by concerns over adverse impact of weak U.S. growth on Canadian economy. Data focus: 1400 GMT Canada September Ivey PMI. USD/CAD daily chart still negative-biased as MACD & stochastics in bearish mode, although latter at oversold; meanwhile, 5-day moving average below 15-day and falling. Support at 1.0150 (yesterday'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 1.0225 (hourly chart); breach would expose upside to 1.0272 (yesterday's high), then 1.0313 (Friday's high), 1.0346 (Thursday's high) and 1.0361 (Sept. 28 high, near confluence of 55-day & 200-day moving averages).

EUR/JPY - to trade with risks skewed higher. Cross supported by increased investor risk tolerance, threat of further JPY-selling intervention by Japan. Daily chart positive-biased as MACD bullish, while stochastics stay elevated at overbought, 5- & 15-day moving averages rising. Resistance at 115.35 (yesterday's high), then at 115.49 (May 18 high); breach would expose upside to psychological levels of 116 and 117, then 117.87 (200-day moving average). Support at 114.51 (hourly chart); breach would expose downside to 113.85 (yesterday's low), then 113.72 (Monday's low), 112.95 (Thursday's low) and 112.64 (Sept. 28 low).

EUR/GBP - to consolidate. Daily chart mixed as stochastics bearish at overbought but MACD still bullish. Support at 0.8660 (hourly chart), then at 0.8624 (yesterday's low); breach would expose downside to 0.8559 (Thursday's low), then 0.8460 (Sept. 22 low), 0.8387 (Sept. 21 low) and 0.8328 (Sept. 17 low). Resistance at 0.8716 (yesterday's high), then at 0.8750 (Monday's 4-month high); breach would reinstate near-term positive outlook, targeting 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).

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