

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	80.89-81.65	80.59-81.84
EUR/USD	1.3823-1.3906	1.3696-1.3982
AUD/USD	0.9813-0.9927	0.9756-0.9975
NZD/USD	0.7462-0.7541	0.7433-0.7569
GBP/USD	1.5768-1.5896	1.5690-1.5940
USD/CHF	0.9805-0.9881	0.9745-0.9930
USD/CAD	1.0209-1.0268	1.0169-1.0302
EUR/JPY	112.39-113.27	111.54-113.45
EUR/GBP	0.8725-0.8800	0.8696-0.8879

(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 bullish bias amid broadly firmer USD undertone (ICE spot dollar index last 77.65 vs Monday's 77.103 settlement) as market participants cover USD-shorts over surprisingly strong UK 3Q GDP data stoke concern of similar surprise in U.S. GDP number this Friday which may reduce support for large stimulus package from U.S. Federal Reserve next week. USD/JPY also supported by higher U.S. Treasury yields, USD demand for import settlements, fear of Japan MOF JPY-selling intervention as Japanese officials ramped up warnings about yen strength yesterday. But USD/JPY topside limited by Japan exporter sales. No strong cue for yen carry trades from Wall Street overnight after U.S. stocks closed roughly flat (DJIA up 0.05%) on mixed bag of corporate earnings and economic data: U.S. Conference Board consumer confidence index rose better-than-expected to 50.2 in October (vs 50.0 forecast) from last month's revised 48.6, while Richmond Fed general-business index rose to 5 in October from minus 2 in September; but Case-Schiller home price index showed U.S. home prices fell in August from a month earlier (index of 10 major metropolitan areas fell 0.1%, 20-city index declined 0.2%). Still, investor fear gauge VIX rose 1.86% to 20.22. Data focus: 1230 GMT U.S. September durable goods, 1400 GMT U.S. September new home sales, 1600 GMT September Chicago Fed Midwest manufacturing index, 2000 GMT Fed's Dudley speech. USD/JPY daily chart positive-biased as stochastics rising from oversold; MACD staged bullish crossover against its exponential moving average; bullish parabolic stop-and-reverse signal hit at 81.53 yesterday. Resistance at 81.65 (yesterday's high); breach would target 81.84 (Thursday's high), then 81.92-82.00 band (Oct. 19 high-Oct. 13 high), 82.34 (Oct. 12 high), 82.57 (Oct. 8 high) and 83.02 (Oct. 7 high). Support at 80.89 (hourly chart), then at 80.59 (yesterday's low) and 80.41 (Monday's 15-year low); breach would temper near-term positive outlook, exposing downside to psychological 80.00, then 79.75 (record low set April 19, 1995).

EUR/USD - to trade with bearish bias. Pair undermined by USD short-covering on concerns over U.S. stimulus package size next week, lingering concerns over economic & fiscal health of peripheral euro-zone nations, below-forecast German GfK's forward-looking consumer climate index of 4.9 for November (vs 5.2 expected); EUR sales on weak EUR/GBP cross. But EUR/USD losses tempered by EUR demand from sovereign central banks. Data focus: German October provisional CPI, 0800 GMT September monetary developments in euro area. EUR/USD daily chart negative-biased as MACD & stochastics bearish. Support at 1.3823 (yesterday's low); breach would expose downside to 1.3696 (Oct. 20 low), then 1.3635 (Oct. 5 low), 1.3558 (Sept. 30 low, matching 38.2% Fibonacci correction of 1.2584-1.4161 Aug. 24-Oct. 15 advance) and 1.3380 (Sept. 28 low, just above 50% correction). Resistance at 1.3906 (hourly chart), then at 1.3982 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.4080 (Monday's high), then 1.4161 (9-month high set Oct. 15), 1.4197 (Jan. 25 high) and 1.4216 (previous base set Dec. 22, 2009).

AUD/USD - to consolidate before Australia 3Q CPI data due 0030 GMT. Median consensus in Dow Jones Newswires poll is for core inflation of 0.8% on quarter, which could be enough to trigger RBA hike next week. Pair undermined by USD short-covering; but losses tempered by Aussie-USD yield gap, firmer commodity prices (CRB spot index closed up 0.98 yesterday at 301.29). AUD/USD daily chart mixed as MACD bearish; but stochastics neutral. Support at 0.9813 (yesterday's low); breach would expose downside to 0.9756 (Friday's low), then 0.9741 (Thursday's low), 0.9660 (Oct. 19 low), 0.9540 (Oct. 5 low, just above 38.2% correction of 0.8769-1.0003 Aug. 25-Oct. 15 advance) and 0.9461 (Sept. 24 low). Resistance at 0.9927 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.9975 (Monday's high), then 1.0003 (post-float high set Oct. 15) and psychological 1.0100.

NZD/USD - to trade with bearish bias. Pair undermined by USD short-covering over concerns of size of Fed's QE measures next week, profit-taking on Kiwi-longs as market participants trim positions ahead of RBNZ interest rate decision due 2000 GMT tonight - expected to stay pat but focus on bank's commentary. But NZD/USD losses tempered by Kiwi-USD yield gap, firmer commodity prices. Other data focus: 0200 GMT NZ October NBNZ business outlook. NZD/USD daily chart negative-biased as MACD & stochastics bearish. Support at 0.7462 (Monday's low), then at 0.7433 (Thursday's low) and 0.7422 (Oct. 20 low); breach would expose downside to 0.7377 (38.2% Fibonacci correction of 0.6944-0.7645 Aug. 25-Oct. 14 advance), then 0.7354 (Oct. 5 low), 0.7325 (Oct. 1 low) and 0.7302 (Sept. 30 low, just above 50% correction). Resistance at 0.7541 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.7563-0.7569 band (Monday's high-Oct. 20 high), then 0.7599 (Oct. 19 high), 0.7618 (Oct. 15 high) and 0.7645 (27-month high set Oct. 14).

GBP/USD - to consolidate after 1.5-cent rally to 1.5896 yesterday on above-forecast UK 3Q GDP growth of +0.8% (vs +0.4% expected) -- reduce odds that BOE will need to ease monetary policy further; S&P's upward revision of UK's outlook to stable from negative. GBP/USD also buoyed by GBP demand on weak EUR/GBP cross. But GBP/USD gains tempered by trimming of short-USD positions on concerns over U.S. stimulus package size next week. GBP/USD daily chart mixed as MACD bearish, but stochastics turned bullish at oversold. Support at 1.5768 (hourly chart); breach would expose downside to 1.5690 (yesterday's low), then 1.5653 (Friday's low, matching 55-day moving average), 1.5603 (61.8% Fibonacci correction of advance from Sept. 7 low of 1.5294 to Oct. 15 high of 1.6104), 1.5501 (Sept. 21 low) and 1.5473 (100-day moving average). Resistance at 1.5896 (yesterday's high); breach would expose upside to 1.5940 (Oct. 19 high), then 1.6003 (Oct. 18 high) and 1.6104 (8-month high set Oct. 15).

USD/CHF - to trade with bullish bias. Pair buoyed by USD short-covering over concerns of size of Fed's QE measures next week. CHF sentiment also dented by drop in UBS Swiss consumption indicator to 1.70 in September from 1.95 in August, snapping a run of 6 straight monthly gains. Daily chart positive-biased as MACD & stochastics bullish; 5-day moving average above 15-day and rising. Resistance at 0.9881 (yesterday's high); breach would expose upside to 0.9930 (previous base set Sept. 14), then 0.9976 (55-day moving average), psychological 1.0000 and 1.0183 (Sept. 17 reaction high). Support at 0.9805 (previous cap set Friday), then at 0.9745 (hourly chart) and 0.9700 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.9656 (Friday's low), then 0.9607 (Thursday's low), 0.9570 (Oct. 20 low) and 0.9538 (Oct. 18 low).

USD/CAD - to consolidate with risks skewed higher. Pair supported by USD short-covering; but gains tempered by firmer commodity and oil prices (Nymex crude settled up 3 cents yesterday at \$82.55/bbl). USD/CAD daily chart mixed as MACD bullish, but stochastics in bearish mode; inside-day-range pattern completed yesterday. Resistance at 1.0268 (Monday's high); breach would expose upside to 1.0302 (Friday's high), then 1.0348 (Oct. 20 high), 1.0372-1.0379 band (Oct. 19 high-Sept. 23 high), 1.0509 (Sept. 8 high) and 1.0569 (Sept. 3 high). Support at 1.0209 (hourly chart), then at 1.0169 (yesterday's low); breach would target 1.0149 (Monday's low), then 1.0075 (previous cap set Oct. 14), 1.0008 (Oct. 15 low) and 0.9980 (5-month low set Oct. 14).

EUR/JPY - to trade with risks skewed lower. Cross supported by threat of further Japan JPY-selling intervention, Japan importer demand; but topside limited by weaker euro undertone, Japan exporter sales. Daily chart negative-biased as MACD in bearish mode, stochastics turned bearish. Support at 112.39 (yesterday's low); breach would expose downside to 111.54 (Oct. 20 low, near 100-day moving average), then 111.10 (55-day moving average), 110.63 (Sept. 16 low) and 109.55 (previous cap set Aug. 30). Resistance at 113.27 (yesterday's high), then at 113.45 (downtrend resistance line from Oct. 7 high of 115.66); breach would target 113.77 (Monday's high), then 113.94 (Thursday's high), 114.79 (Oct. 14 high), 114.95 (Oct. 8 high) and 115.65 (Oct. 7 high).

EUR/GBP - to trade lower. Daily chart negative-biased as MACD bearish, stochastics falling from overbought; bearish parabolic stop-and-reverse signal hit at 0.8734 yesterday. Support at 0.8725 (yesterday's low); breach would target 0.8702-0.8696 band (Oct. 18 low-Oct. 12 low), then 0.8682 (Oct. 6 low), 0.8624 (Oct. 5 low) and 0.8571 (200-day moving average). Resistance at 0.8800 (hourly chart); breach would expose upside to 0.8879 (yesterday's high), then 0.8941 (Monday's 7-month high), psychological 0.9000 and 0.9025 (March 26 reaction high).