

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	81.42-82.00	81.29-82.34
EUR/USD	1.3732-1.3852	1.3696-1.3877
AUD/USD	0.9649-0.9775	0.9540-0.9864
NZD/USD	0.7401-0.7480	0.7377-0.7499
GBP/USD	1.5728-1.5864	1.5690-1.5896
USD/CHF	0.9844-0.9929	0.9832-0.9966
USD/CAD	1.0222-1.0339	1.0169-1.0379
EUR/JPY	112.20-113.27	111.54-113.77
EUR/GBP	0.8696-0.8754	0.8682-0.8800

(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 78.06 vs Tuesday's 77.708 settlement) as market participants trimmed bets on large-scale government-debt purchases from U.S. Federal Reserve on coming Wednesday. Expectations of more modest Fed quantitative easing measures bolstered by stronger-than-expected 3.3% rise in U.S. September durable goods (vs +2.5% forecast), 6.6% gain in U.S. September new-home sales (vs +4.2% forecast). USD/JPY also supported by higher U.S. Treasury yields, USD demand for import settlements, fear of further Japan MOF JPY-selling intervention. But USD/JPY topside limited by Japan exporter sales, unwinding of JPY-funded carry trades on higher investor risk aversion - CBOE volatility index VIX up 2.42% at 20.71, although Wall Street closed mixed (DJIA off 0.39%, Nasdaq up 0.24%). Data focus: 2350 GMT Japan September preliminary retail sales, provisional trade statistics for 1st 10 days of October, 0600 GMT October BOJ economic activity outlook report, 1230 GMT U.S. Oct 23 weekly jobless claims, 1500 GMT October Kansas Fed manufacturing activity index. USD/JPY daily chart positive-biased as stochastics rising from oversold, MACD bullish. Resistance at 82.00 (Oct. 13 high); breach would expose upside to 82.34 (Oct. 12 high), then 82.57 (Oct. 8 high), 82.87 (previous base set Sept. 15) and 83.02 (Oct. 7 high). Support at 81.42 (hourly chart), then at 81.29 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 80.59 (Tuesday's low), then 80.41 (Monday's 15-year low), psychological 80.00 and 79.75 (record low set April 19, 1995).

EUR/USD - to trade with bearish bias. Undermined by prospects of smaller-than-forecast bond-buying program from U.S. Federal Reserve next week; higher investor risk aversion; renewed concerns over sovereign debt of several euro-zone nations after main Portugal's opposition party Social Democrats broke off talks on 2011 austerity budget, while Nov. 7 Greek elections loom. EUR/USD also weighed by EUR sales on weak EUR/GBP cross; but losses tempered by EUR demand from sovereign central banks. Data focus: 0800 GMT German October labor market statistics, 0810 GMT euro-zone October retail PMI, 0900 GMT euro-zone October business climate & economic sentiment indicators. EUR/USD daily chart negative-biased as MACD & stochastics bearish; 5-day moving average below 15-day and falling. Support at 1.3732 (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 1.3852 (hourly chart), then at 1.3877 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.3982 (Tuesday's high), then 1.4080 (Monday's high), 1.4161 (9-month high set Oct. 15) and 1.4197 (Jan. 25 high).

AUD/USD - to consolidate with bearish bias. Undermined by heightened risk aversion; prospect of limited

amount of QE from U.S. Federal Reserve next week; reduced speculation of another rate hike by RBA coming Tuesday after yesterday's softer-than-forecast Australian 3Q CPI data; weaker commodity prices (CRB spot index closed down 2.15 yesterday at 299.14); Aussie sales on weak AUD/NZD cross. But AUD/USD but losses tempered by Aussie-USD yield gap. AUD/USD daily chart negative-biased as MACD & stochastics bearish; 5-day moving average below 15-day and falling. Support at 0.9649 (yesterday's low); breach would expose downside to 0.9540 (Oct. 5 low, just above 38.2% correction of 0.8769-1.0003 Aug. 25-Oct. 15 advance), then 0.9461 (Sept. 24 low) and 0.9386 (50% correction). Resistance at 0.9775 (hourly chart); breach would expose upside to 0.9864 (yesterday's high), then 0.9927 (Tuesday's high), 0.9975 (Monday's high) and 1.0003 (post-float high set Oct. 15).

NZD/USD - to consolidate with bearish bias. Undermined by weaker investor risk tolerance; reduced expectations of shock-and-awe QE measures from U.S. Federal Reserve coming Wednesday; softer commodity prices. But NZD/USD losses tempered by Kiwi-USD yield gap, Kiwi demand on weak AUD/NZD cross; less-dovish-than-expected RBNZ monetary policy statement as bank held its policy rate at 3% but said future hikes "will be required at some stage". NZD/USD daily chart negative-biased as MACD & stochastics bearish. Support at 0.7401 (yesterday's 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 0.7480 (hourly chart), then at 0.7499 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.7541 (Tuesday's high), then 0.7563-0.7569 band (Monday's high-Oct. 20 high), 0.7599 (Oct. 19 high) and 0.7618 (Oct. 15 high).

GBP/USD - to range-trade. Supported by reduced odds of more BOE bond purchases in November following Tuesday's better-than-forecast 3Q GDP report; GBP demand on weak EUR/GBP cross. But GBP/USD topside limited by diminished investor risk appetite, concerns over negative impact of fiscal tightening on UK economy, expectations of smaller U.S. stimulus package next week. Data focus: 0600 GMT UK October Nationwide housing review, 1000 GMT UK October CBI distributive trades survey. GBP/USD daily chart mixed as MACD bearish, but stochastics in bullish mode; inside-day-range pattern completed yesterday. Support at 1.5728 (yesterday's low); breach would target 1.5690 (Tuesday's low), then 1.5653 (Friday's low, near 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 1.5483 (100-day moving average). Resistance at 1.5864 (yesterday's high); breach would target 1.5896 (Tuesday's high), then 1.5940 (Oct. 19 high), 1.6003 (Oct. 18 high) and 1.6104 (8-month high set Oct. 15).

USD/CHF - to consolidate with bullish bias. Underpinned by expectations of smaller-scale U.S. Federal Reserve QE measures coming Wednesday. Daily chart positive-biased as MACD & stochastics bullish, although latter at overbought; meanwhile, 5-day moving average above 15-day and rising. Resistance at 0.9929 (yesterday's high, matching previous base set Sept. 14); breach would target 0.9966 (55-day moving average), then psychological 1.0000, 1.0183 (Sept. 17 reaction high) and 1.0277 (Sept. 10 high). Support at 0.9844 (hourly chart), then at 0.9832 (yesterday's low); breach would target 0.9805 (previous cap set Friday), then 0.9700 (Tuesday's low), 0.9656 (Friday's low) and 0.9607 (Oct. 21 low).

USD/CAD - to consolidate with risks skewed higher. Underpinned by decreased investor risk appetite, expectations of smaller-scale U.S. Federal Reserve bond-buying program coming Wednesday; weaker commodity and oil prices (Nymex crude settled down 61 cents yesterday at \$81.94/bbl). Data focus: 1230 GMT Canada October payroll employment, earnings & hours. USD/CAD daily chart positive-biased as MACD in bullish mode, stochastics turned bullish. Resistance at 1.0339 (yesterday's high, matching confluence of 100-day & 200-day moving averages); breach would expose upside to 1.0372-1.0379 band (Oct. 19 high-Sept. 23 high), then 1.0509 (Sept. 8 high) and 1.0569 (Sept. 3 high). Support at 1.0222 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 1.0169 (Tuesday's low), then 1.0149 (Monday's low), 1.0075 (previous cap set Oct. 14) and 1.0008 (Oct. 15 low).

EUR/JPY - to trade with risks skewed lower. Cross undermined by renewed euro-zone sovereign debt worries, Japan exporter sales; but downside limited by threat of further Japan JPY-selling intervention, Japan importer demand. Daily chart negative-biased as MACD & stochastics bearish; 5- & 15-day moving averages falling. Support at 112.20 (yesterday's low); breach would expose downside to 111.54 (Oct. 20 low, near 100-day moving average), then 111.14 (55-day moving average), 110.63 (Sept. 16 low) and 109.55 (previous cap set Aug. 30). Resistance at 113.27 (Tuesday's high, matching downtrend resistance line from Oct. 7 high of 115.66); breach would temper near-term negative outlook, exposing upside to 113.77 (Monday's high), then 113.94 (Oct. 21 high), 114.79 (Oct. 14 high), 114.95 (Oct. 8 high) and 115.65 (Oct. 7 high).

EUR/GBP - to trade lower. Cross undermined by reduced odds of more BOE bond purchases next month. Daily chart negative-biased as MACD bearish, stochastics falling from overbought. Support at 0.8702-0.8696 band (Oct. 18 low-Oct. 12 low); breach would target 0.8682 (Oct. 6 low), then 0.8635 (38.2% Fibonacci correction of 0.8139-0.8941 Aug. 23-Oct. 25 advance), 0.8624 (Oct. 5 low) and 0.8571 (200-day moving average). Resistance at 0.8754 (yesterday's high); breach would expose upside to 0.8800 (hourly chart), then 0.8879 (Tuesday's high), 0.8941 (Monday's 7-month high) and psychological 0.9000