

# ASIA DAILY FOREX OUTLOOK - East Asia

SINGAPORE (Dow Jones)--Following are expected trading ranges and outlooks for nine secondary currency pairs in East Asia today:

	Immediate Range	Larger Range
USD/CNY	6.6415-6.6845	6.6178-6.6955
USD/HKD	7.7570-7.7664	7.7526-7.7703
USD/KRW	1137.3-1170.9	1134.8-1179.9
USD/TWD	30.319-30.990	30.229-31.063
USD/SGD	1.3040-1.3223	1.2922-1.3296
USD/MYR	3.1225-3.1650	3.1080-3.1900
USD/THB	29.80-30.36	29.44-30.56
USD/PHP	43.88-44.98	43.42-45.42
USD/IDR	8,920-9,038	8,900-9,045

(Ranges are calculated using recent highs and lows, information on the placement of option strikes, and technical analysis - Fibonacci levels, trendlines and moving averages.)

USD/CNY - to range trade, with modest downward bias; investors will be focused on today's November PMI data which forecast to be unchanged from 54.7 in October. If reading higher than 55.0, could trigger another round of rate tightening by PBOC to reduce pace of economic expansion. China equity markets bracing for imminent rate hike; Shanghai composite index fell 1.6% yesterday, bringing total decline for month to 5%. "Investors are expecting a rate hike soon, and the index was further weighed by policy uncertainty regarding curbs on inflation and liquidity measures," says Orient Securities. 1-year USD/CNY NDF appears to be trading in broad range bounded by its 55-, 200-day moving averages, within which it has narrower 6.50-6.60 short-term band, which could hold through year-end; NDF last at 6.5450 vs spot at 6.6670. Dow Jones technical analysis shows spot USD/CNY has immediate support at 6.6415 (Nov. 24 low), then 6.6178 (Nov. 11 low). Initial resistance at 6.6845 (Nov. 9 peak), above at 6.6955 (Nov. 2 high).

USD/HKD - to trade sideways; pair could be forming short-term double top around 7.7664, failure to close above here this week likely to prompt decline toward 7.7600, possibly 7.7575 in days ahead. Dow Jones technical analysis shows support for USD/HKD at 7.7570 (Nov. 25 trough), below at 7.7526 (Nov. 18 low). Initial resistance at 7.7664 (Oct. 22 high), above at 7.7703 (3-month peak).

USD/KRW - to trade with modest upward bias. South Korea's worse-than-expected Oct. industrial output data likely to prompt BOK to remain dovish in coming months. 4.2% on-month fall in output was "shocking," says Tong Yang Securities. Latest data boost chances for GDP to register on-quarter fall in 4Q, says HI Investment & Securities; "BOK likely won't hike before February or March," adds firm, with economic soft landing still on cards for 2011. Dow Jones technical analysis shows initial resistance at 1,170.90 (Nov. 23 high), above at 1,179.90 (3-month high). Immediate support at 1,137.30 (Friday's low), below at 1,134.80 (Thursday's low).

USD/TWD - to consolidate with modest upward bias. "We expect to see more short-covering demand for U.S. dollar given the recent economic and geopolitical uncertainties," says foreign bank trader. Dow Jones technical analysis shows pair has initial resistance at 30.990 (Oct. 20 high), above at 31.063 (55-day moving average).

Immediate support at 30.319 (resistance turned support of downtrend line from September), below at 30.229 (last week's low).

USD/SGD - to trade with risks skewed higher; with 10-day moving average now above its 21-, 55-day averages, USD/SGD may be at start of minor uptrend with possible target in 1.3550-1.3600 zone where August peaks meet falling 200-day moving average. Dow Jones technical analysis shows initial resistance at 1.3223 (Friday's high), above at 1.3296 (2-month high). Immediate support at 1.3040 (channel support from June), below at 1.2922 (Nov. 22 low).

USD/MYR - to trade with modestly bullish tone as investors take cues from direction of EUR/USD and USD/Asian FX. On charts, pair seems to be tracing out minor rally with possible objective near August peak at 3.19. For now, Malaysia doesn't need capital controls, says second finance minister Ahmad Husni Hanadzlah; "the country's financial system is able to absorb portfolio funds inflows," says Ahmad. Dow Jones technical analysis shows initial USD/MYR resistance at 3.1650 (yesterday's high), above at 3.1900 (3-month peak). Support at 3.1225 (Nov. 24 trough), below at 3.1080 (Nov. 23 trough).

USD/THB - to have mild upward bias; 8 of 10 economists surveyed by Dow Jones predict BOT will maintain its policy rate at 1.75% at today's meeting, while 2 forecast 25-bp hike. Kim Eng Securities economist Sunthorn Thongthip says further pause will help curb THB. "On the other hand, the BOT cannot maintain a current low interest rate level for much longer due to accelerating asset prices caused by liquidity. Therefore, we expect the BOT to increase the policy rate to 2.00%-2.25% in 2011 to preserve economic stability." BOT's decision due 0730 GMT. Dow Jones technical analysis shows USD/THB has initial resistance at 30.36 (yesterday's peak), above at 30.56 (38.2% Fibonacci retracement of fall from late July). Immediate support at 29.80 (Nov. 22 low) then 29.44 (Nov. 10 low).

USD/PHP - to consolidate. Pair caught between offshore demand for dollars, remittances from overseas workers; as such, range trading on cards for rest of this week. Charts suggest 43.50-44.50 band could define trading pattern through year-end. Dow Jones technical analysis shows USD/PHP has immediate support at 43.88 (Nov. 23 low), below at 43.42 (Nov. 18 trough). Initial resistance at 44.98 (Sept. 3 peak), above at 45.42 (late Aug. high).

USD/IDR - to consolidate; players trimming short positions ahead of year-end, says Jakarta dealer. Reckons euro-zone debt problems, Korean tensions likely to keep pair above 9,000 till year-end; tips pair in 9,010-9,060 range today. Dow Jones technical analysis shows initial support at 8,920 (1-week low), then 8,900 (Oct. 25 low). Initial resistance at 9,038 (yesterday's high), above at 9,045 (3-month peak).

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