

ASIA DAILY FOREX OUTLOOK - Maj ors

7 Jan 2011, 00:37

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

	Immediate Range	Larger Range
USD/JPY	82.88-83.40	82.32-83.90
EUR/USD	1.2969-1.3170	1.2642-1.3325
AUD/USD	0.9919-1.0014	0.9828-1.0075
NZD/USD	0.7536-0.7603	0.7474-0.7680
GBP/USD	1.5432-1.5502	1.5414-1.5561
USD/CHF	0.9607-0.9707	0.9466-0.9720
USD/CAD	0.9912-0.9993	0.9884-1.0022
EUR/JPY	108.13-109.10	107.81-109.75
EUR/GBP	0.8399-0.8488	0.8343-0.8542

(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 with positive bias amid bullish USD sentiment (ICE spot dollar index last 80.83 vs 80.24 early Thursday) as markets await 1330 GMT U.S. December employment report, 1430 GMT Federal Reserve Chairman Bernanke's testimony before U.S. Senate Budget panel on 'The U.S. Economic Outlook: Challenges for Monetary and Fiscal Policy'. U.S. December jobless rate forecasted to have eased to 9.7% from November's 9.8%, non-farm payrolls expected up 150,000, though after Wednesday's strong ADP jobs release, there's talk numbers "probably up near 200,000", says Alan Ruskin, global head of G10 FX strategy at Deutsche Bank. USD/JPY also supported by USD demand for import settlements; less-than-expected 18,000 increase in latest U.S. weekly jobless claims (vs +22,000 forecast). But USD/JPY gains tempered by lower U.S. Treasury yields (10-year fell 6 bps overnight), Japan exporter sales, positions adjustment before weekend. No strong cue for JPY-funded carry trades from Wall Street as U.S. stocks closed narrowly mixed (DJIA off 0.22%, Nasdaq up 0.28%). Other data: 1830 GMT Fed's Duke speaks, 2000 GMT U.S. November consumer credit. USD/JPY daily chart positive-biased as stochastics rising from oversold; negative MACD histogram bars contracting; bullish parabolic stop-and-reverse signal hit at 82.84 yesterday. Resistance at 83.40 (yesterday's high); breach would expose upside to 83.90 (Dec. 21 high), then 84.21 (Dec. 17 high), 84.51 (Dec. 15 reaction high) and 85.38 (Sept. 24 high). Support at 82.88 (yesterday's low), then at 82.32 (hourly chart); breach would expose downside to 81.88 (Wednesday's low), then 81.61 (Tuesday's low), 80.93 (Monday's low) and 80.50 (Nov. 9 low).

EUR/USD - to consolidate with risks skewed lower as markets await U.S. non-farm payrolls report. Pair undermined by bullish USD sentiment; increased jitters over European bank debt after EU published consultation paper looking to set framework for dealing with bank failures that suggest bondholders should share burden in paying for future bailouts; worries that euro-zone debt crisis will intensify as fiscally-strapped governments compete with banks in capital markets to raise funds this year. But EUR/USD losses tempered by positions adjustment before weekend. Data focus: 0700 GMT German November trade balance and retail

2011-01-07_00h37_ASIA DAILY FOREX OUTLOOK - Majors + sales, 1000 GMT euro-zone November unemployment and 3Q GDP (2nd estimate), 1100 GMT German November industrial production index. EUR/USD daily chart negative-biased as stochastics bearish; MACD staging bearish crossover against its exponential moving average; bearish parabolic stop-and-reverse signal hit at 1.3123 yesterday. Support at 1.2969 (Nov. 30 reaction low); breach would expose downside with no significant support until 1.2642 (Sept. 10 reaction low), then 1.2584 (Aug. 24 trough). Resistance at 1.3170 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.3325 (Wednesday's high), then 1.3433 (Tuesday's high), 1.3446 (55-day moving average) and 1.3500 (Dec. 14 reaction high).

AUD/USD - to consolidate with bearish bias as markets await U.S. jobs report. Pair undermined by positive USD sentiment, concerns over adverse economic impact from major flooding in Queensland and speculation further interest-rate hikes by RBA could be delayed; softer commodity prices (CRB spot index ended down 4.13 yesterday at 325.07), worries over euro-zone sovereign debt problems and slower China economic growth as Beijing tightens policy to combat inflation. But AUD/USD losses tempered by AUD-USD interest rate differential, positions adjustment before weekend. AUD/USD daily chart negative-biased as MACD & stochastics bearish; 5-day moving average staging bearish crossover against 15-day. Support at 0.9919 (55-day moving average); breach would expose downside to 0.9828 (Dec. 16 reaction low), then 0.9747 (Dec. 8 reaction low) and 0.9713 (100-day moving average). Resistance at 1.0014 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.0075 (Wednesday's high), then 1.0171 (Tuesday's high), 1.0195 (previous uptrend support line from Dec. 1 low of 0.9535) and 1.0223 (Monday's high).

NZD/USD - to consolidate with bearish bias as markets await U.S. employment report. Pair undermined by positive USD sentiment, softer commodity prices, worries over weaker China economic growth and euro-zone sovereign debt crisis. But NZD/USD losses tempered by NZD-USD yield gap, positions adjustment before weekend. NZD/USD daily chart negative-biased as stochastics falling from overbought; positive MACD histogram bars contracting, pointing to increasing downside risks. Support at 0.7536 (Dec. 29 low); breach would expose downside to 0.7479 (100-day moving average), then 0.7448 (Dec. 24 low), 0.7380 (Dec. 23 low) and 0.7329 (Dec. 16 reaction low). Resistance at 0.7603 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.7680 (Wednesday's high), then 0.7741 (Tuesday's high), 0.7784 (Monday's high) and 0.7813 (Dec. 30 high).

GBP/USD - to consolidate with bearish bias as markets await U.S. non-farm payrolls report. Pair undermined by bullish USD sentiment, worse-than-expected drop in UK services PMI to 49.7 in December from 53.0 in November (vs 52.5 forecast); worries over adverse impact of government fiscal-tightening program on UK economy; concerns that worsening inflation may restrain BOE from using monetary easing measures to address any slowdown in UK economy; persistent worries over euro-zone sovereign debt crisis. But GBP/USD losses tempered by GBP demand on soft EUR/GBP cross, positions adjustment before weekend. GBP/USD daily chart negative-biased as stochastics have turned bearish; positive MACD histogram bars contracting, pointing to increasing downside risks. Support at 1.5432 (Monday's low); breach would target 1.5414 (200-day moving average), then 1.5365 (Dec. 30 low), 1.5344 (Dec. 28 low) and 1.5294 (Sept. 7 reaction low). Resistance at 1.5502 (hourly chart), then at 1.5561 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 1.5627 (Wednesday's high), then 1.5645 (Tuesday's high, 1.5664 (Dec. 31 high) and 1.5711 (100-day moving average).

USD/CHF - to consolidate with bullish bias as markets await U.S. jobs report. Pair underpinned by bullish USD sentiment; fears of SNB's CHF-selling intervention. But USD/CHF gains tempered CHF demand on soft EUR/CHF cross as worries persist over euro-zone sovereign debt crisis; positions adjustment before weekend. Data focus: 0645 GMT Swiss December unemployment. Daily chart positive-biased as MACD & stochastics bullish; 5-day moving average staging bullish crossover against 15-day. Resistance at 0.9707 (yesterday's high);

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breach would target 0.9720 (Dec. 20 high), then 0.9733 (Dec. 16 reaction high), 0.9744 (55-day moving average), 0.9823 (100-day moving average) and 0.9915 (Dec. 8 reaction high). Support at 0.9607 (yesterday's low); breach would temper near-term positive outlook, exposing downside to 0.9466 (Wednesday's low), then 0.9316 (Monday's low) and 0.9301 (Dec. 31 record low).

USD/CAD - to consolidate as markets await 1200 GMT Canada December labor force survey and U.S. employment data. Pair underpinned by bullish USD sentiment, softer commodity & oil prices (Nymex crude settled down \$1.92 yesterday at \$88.38/bbl); worries over slower China economic growth and euro-zone sovereign debt problems. But USD/CAD gains tempered by CAD demand on bullish CAD crosses as sentiment toward North American currencies improves; positions adjustment before weekend. USD/CAD daily chart mixed as MACD bearish, but stochastics bullish near oversold. Resistance at 0.9993 (yesterday's high); breach would target 1.0022 (Wednesday's high), then 1.0033 (Tuesday's reaction high), 1.0054 (Dec. 29 high), 1.0098 (55-day moving average) and 1.0115 (Dec. 24 high). Support at 0.9916-0.9912 band (yesterday's low-Tuesday's low); breach would target 0.9884 (Monday's low), then 0.9816 (May 21, 2008 reaction low) and 0.9708 (Feb. 28, 2008 reaction low).

EUR/JPY - to consolidate with risks skewed lower as markets await U.S. employment report. Cross undermined by continued worries over European sovereign debt; Japan exporter sales. But EUR/JPY losses tempered by Japan importer demand, positions adjustment before weekend. EUR/JPY daily chart mixed as MACD in bullish mode, but stochastics turning bearish. Support at 108.13 (yesterday's low); breach would expose downside to 107.81 (Monday's low), then 107.60 (Dec. 30 low), psychological 107 level and 106.71 (Sept. 14 low). Resistance at 109.10 (hourly chart); breach would expose upside to 109.65-109.75 band (yesterday's high-Wednesday's high), then 110.24 (Tuesday's high), 110.49 (Dec. 21 high) and 110.72 (Dec. 20 high).

EUR/GBP - to trade with risks skewed lower. Daily chart negative-biased as stochastics bearish; MACD staged bearish crossover against its exponential moving average. Support at 0.8399 (yesterday's low); breach would expose downside to 0.8343 (Dec. 13 reaction low), then 0.8330 (Dec. 1 reaction low), 0.8307 (Sept. 16 reaction low) and 0.8200 (Sept. 8 reaction low). Resistance at 0.8488 (yesterday's high); breach would temper near-term negative outlook, exposing upside to 0.8542 (Wednesday's high), then 0.8636 (Tuesday's high), 0.8648 (Dec. 31 high, matching previous base set Nov. 1) and 0.8692 (Nov. 8 high).

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