

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	85.71-86.66	85.32-86.93
EUR/USD	1.3130-1.3211	1.3051-1.3239
AUD/USD	0.9129-0.9182	0.9093-0.9217
NZD/USD	0.7258-0.7356	0.7186-0.7395
GBP/USD	1.5855-1.5968	1.5694-1.6000
USD/CHF	1.0477-1.0557	1.0376-1.0579
USD/CAD	1.0160-1.0229	1.0133-1.0273
EUR/JPY	113.19-114.22	112.67-114.73
EUR/GBP	0.8268-0.8315	0.8252-0.8325

(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 risks skewed higher after rebounding 1 yen from 8-month low of 85.32 yesterday amid better USD sentiment (ICE dollar index last 80.95 vs Tuesday's 80.596 settlement) after U.S. ADP July private sector jobs report showed bigger-than-expected gain of 42,000 (vs +39,000 forecast), surprise rise in U.S. July ISM non-manufacturing PMI to 54.3 from June's 53.8 (vs forecast for drop to 53.1), while ISM non-manufacturing employment index rose to 50.9 from 49.7 in June - portending better numbers from tomorrow's U.S. July non-farm payrolls release (expected to show decline of 60,000 jobs). USD/JPY also supported by higher U.S. Treasury yields; JPY-funded carry trades as risk appetite improves (VIX fear gauge eased 1.86% to 22.21) after Wall Street ended with modest gains overnight (DJIA up 0.41%, Nasdaq up 0.88%); USD demand for import settlements (may see more yen sales at Tokyo fixing as today is regular settlement day): fears of Japan FX intervention after finance minister Noda yesterday said current USD/JPY moves are one-sided, authorities are watching forex markets "more closely"; increasing talk Japanese government might put pressure on BOJ to loosen monetary stance even further to stop yen from rising any more. But USD/JPY gains tempered by Japan exporter sales, lingering expectations U.S. Federal Reserve may introduce more quantitative easing at its Aug. 10 meeting. Data focus: 1230 GMT U.S. July 31 weekly jobless claims. USD/JPY daily chart mixed as MACD neutral, stochastics turned bullish at oversold, bullish-piercing candlestick pattern completed yesterday. Resistance at 86.66 (Tuesday's high), then 86.88-86.93 band (Monday's high-Friday's high); breach would expose upside to 87.51 (July 29 high), then 88.11 (July 28 high), 88.43 (July 15 high) and 89.11-89.15 band (July 14 high-July 12 high). Support at 85.71 (hourly chart), then at 85.32 (yesterday's low); breach would reinstate near-term negative bias, exposing downside to psychological 85.00, then 84.81 (Nov. 27 bottom).

EUR/USD - to consolidate with risks skewed lower as markets await 1145 GMT ECB interest rate decision & 1230 GMT ECB Governing Council meeting press conference: central bank widely expected to leave its main refinancing rate at 1%, but market participants eyeing press conference for possible comments on liquidity situation and results of stress tests on euro-zone banks. EUR/USD weighed by improved USD sentiment; downward revision of euro-zone July services PMI to 55.8 from flash estimate of 56.0; flat on-month euro-zone retail sales in July indicating consumers scaling back given severe fiscal retrenchment in region. But EUR/USD downside limited by EUR demand for long-EUR carry trades on improved risk appetite. Other data focus: 1000 GMT German June manufacturing orders. EUR/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 1.3130 (yesterday's low); breach would expose downside to 1.3051 (Monday's low), then 1.2978 (Friday's low), 1.2949 (July 27 low), 1.2874 (July 26 low) and 1.2791 (July 23 low). Resistance at 1.3211 (hourly chart), then at 1.3239 (yesterday's high) and 1.3261 (Tuesday's high); breach would reinstate near-term positive bias, exposing upside to 1.3342 (April 30 reaction high), then 1.3510 (50% Fibonacci correction of 1.5144-1.1875 Nov. 25-June 7 decline) and 1.3551 (200-day moving average).

AUD/USD - to consolidate with bullish bias after hitting fresh 3-month high of 0.9182 yesterday. Pair underpinned by AUD demand for long-AUD carry trades on increased risk appetite, firmer commodity prices (CRB spot index closed up 2.35 yesterday at 278.98); lingering effect of Tuesday's record AUD\$3.5 billion Australian June trade surplus data, Aussie demand on rising AUD/NZD cross. But AUD/USD gains tempered by better USD sentiment. AUD/USD daily chart positive-biased as MACD & stochastics bullish, although latter at overbought, suggesting sideways or higher AUD/USD trading near-term. Resistance at 0.9182 (yesterday's high); breach would target 0.9217 (top-line of rising wedge pattern formed with July 6 low of 0.8315 & July 8 high of 0.8791), then 0.9324 (April 30 reaction high) and 0.9382 (April 12 top). Support at 0.9129 (hourly chart), then at 0.9093 (yesterday's low) and 0.9068 (Tuesday's low, matching bottom-line of wedge); breach would target 0.9042 (Monday's low), then 0.8963 (Friday's low), 0.8902-0.8894 band (July 28 low-July 23 low) and 0.8871 (previous cap set July 14).

NZD/USD - to consolidate with risks skewed lower. Pair undermined by worse-than-expected NZ 2Q unemployment rate of 6.8% (vs 6.4% forecast), improved USD sentiment, Finance Minister English saying strength of NZD a headwind for economic recovery, Kiwi sales on rising AUD/NZD cross. But NZD/USD losses tempered by NZD demand for long-NZD carry trades on higher risk appetite, firmer commodity prices. NZD/USD daily chart still positive-biased as MACD & stochastics in bullish mode, but latter at overbought. Support at 0.7258 (Monday's low); breach would expose downside to 0.7186 (Friday's low), then 0.7102 (200-day moving average), 0.7092 (July 22 low) and 0.7027 (July 19 reaction low). Resistance at 0.7356 (yesterday's high); breach would expose upside to 0.7395 (6-month high set July 27), then 0.7441 (Jan. 14 reaction high) and 0.7521 (Nov. 16, 2009 reaction high).

GBP/USD - to consolidate with risks skewed lower as markets await 1100 GMT BOE interest rate decision: central bank expected to stay pat at record-low 0.50% and not alter its quantitative easing stance, keeping its stock of bond purchases at GBP200 billion in face of easing inflation and uncertainty over sustainable economic recovery. GBP/USD undermined by improved USD sentiment; surprise fall in UK July services PMI to 53.1 from June's 54.4 (vs forecast for increase to 54.5); concerns over negative impact of fiscal consolidation on UK economy. But GBP/USD losses tempered by improved investor risk sentiment. GBP/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought. Support at 1.5855 (yesterday's low); breach would expose downside to 1.5694 (Monday's low), then 1.5549-1.5543 band (Friday's low-July 28 low), 1.5531 (200-day moving average), 1.5440 (July 27 low) and 1.5407 (July 26 low). Resistance at 1.5968 (Tuesday's high); breach would reinstate near-term positive bias, exposing upside to psychological 1.6000, then 1.6069 (Feb. 3 reaction high) and 1.6276 (Jan. 28 high).

USD/CHF - to trade higher. Pair underpinned by improved USD sentiment, short-CHF carry trades on lower risk aversion, CHF-sales on rising EUR/CHF cross (EUR/CHF hit 7-week high of 1.3869 yesterday, last 1.3854). Daily chart positive-biased as MACD bullish, stochastics rising from oversold. Resistance at 1.0557 (yesterday's high); breach would target 1.0579 (July 29 high), then 1.0622 (July 28 high), 1.0640 (July 27 high, near 200-day moving average) and 1.0675 (July 12 reaction high). Support at 1.0477 (hourly chart); breach would expose downside to 1.0376 (yesterday's low), then 1.0344 (Tuesday's low), 1.0127 (Jan. 11 reaction low), then parity.

USD/CAD - to consolidate with bearish bias. Pair undermined by increased investor risk appetite, firmer commodity prices; but downside limited by improved USD sentiment. No strong cue from oil prices as Nymex crude settled just 8 cents lower at \$82.47/bbl. Data focus: 1215 GMT Canada July official international reserves, 1230 GMT Canada June building permits. USD/CAD daily chart negative-biased as MACD & stochastics bearish, although latter oversold, suggesting sideways or lower USD/CAD trading near-term. Support at 1.0160 (yesterday's low); breach would target 1.0133 (June 21 reaction low), then 1.0105 (May 13 reaction low) and 1.0010 (April 29 low). Resistance at 1.0229 (hourly chart), then at 1.0273 (Tuesday's high); breach would temper near-term negative outlook, targeting 1.0298 (Monday's high), then 1.0375 (Friday's high), 1.0395 (July 27 high), 1.0434 (July 23 high) and 1.0503 (July 22 high).

EUR/JPY - to trade with risks skewed higher. Cross underpinned by increased investor risk appetite. Daily chart positive-biased as MACD bullish, while stochastics stay elevated near overbought. Resistance at 114.13-114.22 band (Tuesday's high-July 29 high); breach would expose upside to 114.73 (July 28 high), then 115.49 (May 18 high) and 116.70 (100-day moving average). Support at 113.19 (hourly chart); breach would target 112.67 (yesterday's low), then 111.99 (Friday's low), 111.55 (July 23 low) and 110.02 (July 22 low).

EUR/GBP - to consolidate. Daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, although inside-day-range pattern completed yesterday. Support at 0.8268 (Tuesday's low), then at 0.8252 (Monday's low); breach would target 0.8215 (July 2 low), then 0.8163 (July 1 low) and 0.8065 (June 29 trough). Resistance at 0.8307-0.8315 band (yesterday's high-Tuesday's high), then at 0.8325 (Monday's high); breach would expose upside to 0.8379 (Friday's high), then 0.8395 (July 29 high), 0.8415 (July 27 high) and 0.8466 (July 22 high).