

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	85.54-86.39	84.90-86.49
EUR/USD	1.2747-1.2830	1.2730-1.2906
AUD/USD	0.8912-0.8994	0.8902-0.9035
NZD/USD	0.7045-0.7115	0.7027-0.7183
GBP/USD	1.5560-1.5680	1.5502-1.5716
USD/CHF	1.0461-1.0551	1.0356-1.0626
USD/CAD	1.0347-1.0439	1.0300-1.0503
EUR/JPY	109.52-110.28	109.12-111.12
EUR/GBP	0.8163-0.8230	0.8065-0.8266

(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 risks skewed higher as threat of Japan FX intervention prevails - Japan PM Naoto said over weekend he will "carefully monitor" yen's exchange rates, cooperate closely with BOJ to deal with strong yen problem; speculation BOJ may hold emergency meeting this week to arrange additional monetary easing. USD/JPY also supported by USD demand for import settlements, stronger USD sentiment (ICE spot dollar index settled up 0.37% Friday at 82.948) U.S. July retail sales increased 0.4% for first gain in 3 months, U.S. July CPI rose 0.3% for first gain in 4 months, University of Michigan mid-August consumer sentiment index improved to 69.6 from 67.8 in July. But USD/JPY gains tempered by Japan exporter sales, lower U.S. Treasury yields, ultra-loose U.S. monetary policy, unwinding of short-JPY carry trades as risk appetite falls (VIX fear gauge up 1.98% at 26.24), modest Wall Street losses Friday (DJIA off 0.16%, Nasdaq off 0.77%) as concerns persist over state of global economy. Data focus: 2350 GMT Japan June tertiary industry index, Japan 2Q GDP (1st preliminary estimate), 1230 GMT U.S. August Empire State manufacturing survey, 1300 GMT U.S. June Treasury international capital flows, 1400 GMT U.S. August NAHB housing market index. USD/JPY daily chart positive-biased as MACD & stochastics bullish. Resistance at 86.39 (Friday's high), then at 86.49 (Aug. 5 high); breach would target 86.93 (July 30 high), then 87.51 (July 29 high) and 88.11 (July 28 reaction high). Support at 85.54 (Friday's low); breach would temper near-term positive outlook, exposing downside to 84.90 (Thursday's low), then 84.71 (Wednesday's 15-year low) - below which would open way down to psychological round-numbered levels from 84.00 down to 80.00, then 79.70 (record low set April 19, 1995).

EUR/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-EUR carry trades on increased risk aversion, stronger USD sentiment, lackluster demand at Italian government bond auction Friday, concerns over creditworthiness of Irish banks, worries over negative effects of austerity measures on economies of some euro-zone nations, Bank of Spain saying Spanish banks had increased their funding from ECB in July. But EUR/USD losses tempered by stronger-than-expected 2.2% rise in German 2Q GDP (vs +1.4% forecast, fastest 2Q pace since reunification in 1990), 1.0% growth in euro-zone 2Q GDP (vs +0.7% forecast, fastest 2Q pace in 4 years). Data focus: 0900 GMT euro-zone July harmonized CPI. EUR/USD daily chart negative-biased as MACD & stochastics bearish, although latter at oversold. Support at 1.2747 (Friday's low); breach would target 1.2730 (July 21 reaction low), then 1.2614 (55-day moving average) and 1.2520 (July 13 reaction low). Resistance at 1.2830 (hourly chart), then at 1.2906 (Friday's high); breach would temper near-term negative outlook, targeting 1.2932 (Thursday's high), then 1.3190 (Wednesday's high), 1.3234 (Tuesday's high) and 1.3307 (Aug. 9 high).

AUD/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-AUD carry trades on higher

risk aversion, stronger USD sentiment. But AUD/USD losses tempered by Aussie-USD yield gap. No strong cue from commodity prices as CRB spot index closed down just 0.12 Friday at 268.79. Data focus: 0130 GMT Australia July new motor vehicles sales. AUD/USD daily chart negative-biased as MACD & stochastics bearish, although latter at oversold. Support at 0.8920-0.8912 band (Friday's low-Thursday's low), then at 0.8902 (July 28 reaction low); breach would expose downside to 0.8850 (100-day moving average), then 0.8735 (July 22 reaction low), 0.8735 (55-day moving average) and 0.8631 (July 19 reaction low). Resistance at 0.8994 (hourly chart); then at 0.9035 (Friday's high); breach would temper near-term negative outlook, targeting 0.9056 (previous base set Tuesday), then 0.9166 (Tuesday's high), 0.9205 (Aug. 9 high) and 0.9221 (Aug. 6 high).

NZD/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-NZD carry trades on lower risk appetite, stronger USD sentiment; but losses tempered by Kiwi-USD yield gap. NZD/USD daily chart still negative-biased as MACD & stochastics bearish. Support at 0.7045 (Friday's low); breach would target 0.7027 (July 19 reaction low), then 0.6821 (July 6 reaction low) and 0.6791 (July 1 reaction low). Resistance at 0.7115 (hourly chart), then at 0.7183 (Friday's high, roughly matching previous base set July 30); breach would temper near-term negative outlook, exposing upside to 0.7246 (Wednesday's high), then 0.7291 (Tuesday's high), 0.7343 (Aug. 9 high) and 0.7356 (Aug. 4 high).

GBP/USD - to trade with bearish bias. Pair undermined by higher investor risk aversion, stronger USD sentiment, 1.7% on-month drop in Rightmove mid-August UK house price index (biggest monthly decline since December 2009), concerns over negative impact of fiscal tightening on UK economic growth. GBP/USD daily chart negative-biased as MACD & stochastics bearish, 5-day moving average staged bearish crossover against 15-day; but inside-day-range pattern completed Friday. Support at 1.5560 (Thursday's low, matching uptrend line from June 8 low of 1.4344); breach would expose downside to 1.5502 (200-day moving average), then 1.5471 (previous cap set July 15) - after which there's no significant support until 1.5179 (55-day moving average) and 1.5123 (July 21 reaction low). Resistance at 1.5680 (Friday's high); breach would temper near-term negative outlook, exposing upside to 1.5716 (Thursday's high), then 1.5866 (Wednesday's high), 1.5910 (Tuesday's high) and 1.6002 (Aug. 6 high).

USD/CHF - to range-trade. Pair underpinned by broadly stronger USD undertone; weaker-than-expected Swiss July PPI & import price index (rose 0.5% on year vs +0.7% forecast), suggesting SNB in no rush to raise interest rates. But USD/CHF topside limited by unwinding of short-CHF carry trades amid higher risk aversion. Daily chart mixed as MACD in bullish mode, but stochastics turning bearish. Resistance at 1.0551 (Friday's high); breach would expose upside to 1.0626 (Wednesday's high), then 1.0640 (July 27 reaction high), 1.0675 (July 12 high), 1.0812 (55-day moving average) and 1.0885 (100-day moving average). Support at 1.0461 (Thursday's low); breach would expose downside to 1.0356 (Aug. 9 low), then 1.0328 (Aug. 6 low) and 1.0127 (Jan. 11 reaction low).

USD/CAD - to consolidate with risks skewed higher. Pair buoyed by negative risk sentiment, weaker oil prices (Nymex crude settled down 35 cents Friday at \$75.39/bbl), stronger global USD. USD/CAD daily chart mixed as MACD in bullish mode, but stochastics turning bearish at overbought. Resistance at 1.0439 (Friday's high); breach would expose upside to 1.0494-1.0503 band (Thursday's high-July 22 high), then 1.0586 (July 20 reaction high), 1.0677 (July 6 reaction high) and 1.0851 (May 25 reaction high). Support at 1.0347 (Friday's low); breach would tilt near-term outlook toward negative, targeting 1.0300 (Wednesday's low), then 1.0252 (Aug. 9 low), 1.0141 (Aug. 6 low) and 1.0102 (Aug. 5 low).

EUR/JPY - to consolidate with bearish bias. Cross weighed by weaker EUR sentiment, unwinding of carry trades on diminished investor risk appetite; but losses tempered by fear of Japan yen intervention. Daily chart negative-biased as MACD & stochastics bearish, although latter at oversold. Support at 109.52 (Friday's low), then at 109.21-109.12 band (Thursday's low-July 6 low); breach would expose downside to 107.30 (9-year low set June 29), then 106.76 (Nov. 8, 2001 reaction low). Resistance at 110.28 (hourly chart); breach would expose upside

to 111.12 (Friday's high), then 111.59 (55-day moving average), 112.66 (Wednesday's high), 113.93 (Aug. 9 high) and 114.17 (Aug. 2 high).

EUR/GBP - to consolidate with downward bias. Daily chart negative-biased as MACD & stochastics bearish, but latter at oversold. Support at 0.8168-0.8163 band (Friday's low-July 1 low); breach would expose downside to 0.8065 (19-month low when hit June 29), then psychological 0.8000 and 0.7807 (Oct. 21, 2008 reaction low). Resistance at 0.8230 (hourly chart), then at 0.8259-0.8266 band (Friday's high-Thursday's high); breach would temper near-term negative outlook, exposing upside to 0.8321 (Wednesday's high), then 0.8364 (Tuesday's high), 0.8379 (July 30 high) and 0.8395 (July 29 high).