

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	84.87-85.91	84.71-86.28
EUR/USD	1.2790-1.2902	1.2770-1.2932
AUD/USD	0.8903-0.8943	0.8857-0.9018
NZD/USD	0.7053-0.7100	0.7035-0.7156
GBP/USD	1.5495-1.5672	1.5482-1.5697
USD/CHF	1.0254-1.0384	1.0127-1.0465
USD/CAD	1.0340-1.0415	1.0241-1.0464
EUR/JPY	109.18-110.12	109.05-110.43
EUR/GBP	0.8191-0.8248	0.8181-0.8282

(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, undermined by unwinding of JPY-funded carry trades amid inflamed risk aversion (VIX fear gauge rose 7.52% to 26.44), sharp Wall Street's falls overnight (DJIA down 1.39%, S&P down 1.69%) as worries increased U.S. heading toward "double-dip" recession after unexpected 12,000 rise (vst forecast for 4,000 fall) in latest U.S. weekly jobless claims to 500,000, highest level since Nov 14; surprise plunge in Philadelphia Fed index of general business activity to minus 7.7 in August from 5.1 in July (vs forecast for rise to 7.0); weaker-than-expected 0.1% rise in Conference Board's index of leading indicators in July (vs + 0.2% forecast). USD/JPY also undermined by Japan exporter sales, lower U.S. Treasury yields. But USD/JPY losses tempered by position adjustments before weekend, USD demand for import settlements, continuing fears of Japan FX intervention -- Industry Minister Naoshima warned USD/JPY at 85.00 is "very painful" for Japanese companies; anticipation of additional easing by BOJ to cap yen's recent strength ahead of meeting between PM Kan & BOJ Gov. Shirakawa Monday - some speculate BOJ bank may cut its key policy rate from current 0.10%, while Sankei Shimbun reported yesterday BOJ will consider expanding its 0.1% fixed-rate lending facility by either increasing amount to Y30 trillion from Y20 trillion, or lengthening duration to 6 months from 3 months. USD/JPY daily chart mixed as MACD bullish, stochastics neutral; 5-day moving average meandering sideways; spinning-top candlestick pattern completed yesterday. Support at 84.87 (yesterday's low); breach would target 84.71 (15-year low set Aug. 11) - 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). Resistance at 85.91 (yesterday's high); breach would expose upside to 86.28 (Monday's high), then 86.39 (Aug. 13 high), 86.49 (Aug. 5 high) and 86.93 (July 30 high).

EUR/USD - to consolidate with risks skewed lower. Pair undermined by negative risk sentiment; worries about Greece's austerity programs - German magazine Der Spiegel warned measures dragging Greek economy down, with unemployment rising to 70% in some parts of Greece; news Moody's could lower France's triple-A credit rating, prompting French President Sarkozy to recall several ministers from holiday this week. But EUR sentiment boosted by Bundesbank upping its 2010 German GDP growth forecast a full percentage point to 3%. EUR/USD losses also tempered by position adjustments before weekend. EUR/USD daily chart negative-biased as MACD bearish, stochastics reverting to bearish mode at oversold. Support at 1.2790 (hourly chart), then at 1.2770 (yesterday's low, matching 100-day moving average); breach would expose downside to 1.2732 (Monday's low), then 1.2666 (55-day moving average), 1.2520 (July 13 reaction low) and 1.2478 (July 6 low). Resistance at 1.2902 (yesterday's high), then at 1.2923-1.2932 band (Wednesday's high-Aug. 12 high); breach would temper near-term negative outlook, exposing upside to psychological 1.3000, then 1.3190 (Aug. 11 high).

AUD/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-AUD carry trades on heightened risk aversion, weaker commodity prices (CRB spot index ended down 1.65 yesterday at 268.25), uncertainty over Australian parliamentary election Saturday. But AUD/USD losses tempered by Aussie-U.S. yield gap; position adjustments before weekend. AUD/USD daily negative-biased as MACD in bearish mode, stochastics turning bearish. Support at 0.8903 (yesterday's low); breach would expose downside to 0.8857 (Monday's low), then 0.8841 (100-day moving average), 0.8781 (55-day moving average) and 0.8735 (July 22 low). Resistance at 0.8943 (hourly chart); breach would expose upside to 0.9018 (yesterday's high), then 0.9058 (Wednesday's high), 0.9082 (Tuesday's high) and 0.9166 (Aug. 10 high).

NZD/USD - to consolidate with bearish bias. Pair undermined by unwinding of long-NZD carry trades on elevated risk aversion, weaker commodity prices. But NZD/USD losses tempered by Kiwi-U.S. yield advantage, position adjustments before weekend. Data focus: 0300 GMT NZ July Credit card statistics. NZD/USD daily chart negative-biased as MACD in bearish mode, stochastics turning bearish. Support at 0.7053 (yesterday's low); breach would target 0.7035 (Tuesday's low), then 0.6993 (Monday's low), 0.6821 (July 6 reaction low) and 0.6791 (July 1 reaction low). Resistance at 0.7100 (hourly chart); breach would expose upside to 0.7156 (yesterday's high), then 0.7192 (Wednesday's high), 0.7246 (Aug. 11 high) and 0.7291 (Aug. 10 high).

GBP/USD - to consolidate. Pair supported by slew of upbeat UK data yesterday: rise in CBI UK industrial total order book balance from minus 16 in July to minus 14 in August, strongest level since August 2008; stronger-than-expected 1.1% rise in UK July retail sales (vs +0.6% forecast); lower-than-expected July public sector net borrowing of GBP3.2 billion (vs GBP4.3 billion forecast). But GBP/USD topside limited by heightened investor risk aversion, lingering concerns over negative impact of fiscal tightening on UK economic growth, position adjustments before weekend. GBP/USD daily chart mixed as MACD & stochastics in bearish mode, but latter at oversold; inside-day-range pattern as well as spinning-top candlestick pattern completed yesterday. Support at 1.5501-1.5495 band (yesterday's low-Wednesday's low), then at 1.5482 (200-day moving average) and 1.5471 (previous cap set July 15); breach would expose downside to 1.5325 (38.2% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002), then 1.5253 (55-day moving average) and 1.5123 (July 21 reaction low, matching 100-day moving average and 50% correction). Resistance at 1.5672 (yesterday's high); breach would target 1.5688-1.5697 band (Wednesday's high-Tuesday's high), then 1.5707-1.5716 band (Monday's high-Aug. 12 high), 1.5866 (Aug. 11 high) and 1.5910 (Aug. 10 high).

USD/CHF - to consolidate with risks skewed lower. Pair undermined by unwinding of short-CHF carry trades on higher investor risk aversion; CHF demand on falling EUR/CHF cross; record high Swiss trade surplus of CHF2.89 billion in July as Swiss exports rose for 8th straight month by 2.2%; ZEW-Credit Suisse survey of Swiss economic expectations showing its headline balance rebounded to 9.1 in August from 1-year low of 2.2 in July. But USD/CHF losses tempered by broadly stronger USD undertone (ICE spot dollar index last 82.486 vs Wednesday's 82.223 settlement); position adjustments before weekend. Daily chart negative-biased as stochastics in bearish mode, 5-day moving average staged bearish crossover against 15-day. Support at 1.0254 (yesterday's low); breach would expose downside to 1.0127 (Jan. 11 reaction low), then parity, 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough). Resistance at 1.0384 (hourly chart); breach would expose upside to 1.0465 (yesterday's high), then 1.0534 (Monday's high), 1.0551 (Aug. 13 high) and 1.0626 (Aug. 11 high).

USD/CAD - to consolidate with bullish bias. Pair underpinned by increased investor risk aversion, stronger global USD, softer commodity & oil prices (Nymex September crude expiring today settled down 99 cents yesterday at \$74.43/bbl, more actively traded October crude settled down \$1.01 at \$74.77); worries about contagion from sputtering U.S. economic recovery on Canadian economy; weaker-than-expected 0.4% rise in Canada July composite index of leading indicators (vs +0.7% forecast); surprise 0.3% drop in Canadian June wholesale sales (vs forecast for 0.4% increase). But USD/CAD gains tempered by position adjustments before weekend. Data focus: 1100 GMT Canada July CPI. USD/CAD daily chart positive-biased as MACD in bullish mode, stochastics turning bullish; bullish-engulfing candlestick pattern completed yesterday. Resistance at 1.0415 (yesterday's high); breach would target 1.0464 (Monday's high), then 1.0494-1.0503 band (Aug. 12 high-July 22 high), 1.0586 (July 20 reaction high) and 1.0677 (July 6 reaction high). Support at 1.0340 (hourly chart); breach would expose downside to 1.0241 (yesterday's low), then 1.0141 (Aug. 6 low) and 1.0102 (Aug. 5 reaction low).

EUR/JPY - to consolidate with risks skewed lower. Cross undermined by unwinding of carry trades amid increased risk aversion; but losses tempered by position adjustments before weekend. Daily chart negative-biased as MACD bearish, while stochastics stay suppressed at oversold, suggesting sideways or lower EUR/JPY trading near-term. Support at 109.18 (yesterday's low), then at 109.05 (Tuesday's low); breach would expose downside to 107.30 (9-year low set June 29), then 106.76 (Nov. 8, 2001 reaction low). Resistance at 110.12 (yesterday's high), then at 110.39-110.43 band (Wednesday's high-Tuesday's high); breach would expose upside to 111.12 (Aug. 13 high), then 111.43 (55-day moving average), 112.66 (Aug. 11 high), 113.93 (Aug. 9 high) and 114.17 (Aug. 2 high).

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EUR/GBP - to range-trade. Daily chart mixed as MACD bearish, but stochastics in bullish mode. Resistance at 0.8248 (yesterday's high), then at 0.8282 (Wednesday's high); breach would target 0.8301 (55-day moving average), then 0.8321 (Aug. 11 high), 0.8364 (Aug. 10 reaction high) and 0.8395 (July 29 high). Support at 0.8191 (yesterday's low), then at 0.8181 (Tuesday's low) and 0.8168 (Aug. 13 low); breach would expose downside to 0.8065 (19-month low when hit June 29), then psychological 0.8000.