

# 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	83.80-84.66	83.58-85.10
EUR/USD	1.2623-1.2743	1.2603-1.2778
AUD/USD	0.8858-0.8956	0.8842-0.9000
NZD/USD	0.6962-0.7050	0.6944-0.7075
GBP/USD	1.5325-1.5450	1.5123-1.5477
USD/CHF	1.0127-1.0218	1.0000-1.0263
USD/CAD	1.0571-1.0677	1.0547-1.0851
EUR/JPY	106.14-107.76	105.90-108.25
EUR/GBP	0.8209-0.8288	0.8169-0.8321

(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 as markets await 1215 GMT U.S. August ADP national employment report, 1400 GMT U.S. August ISM manufacturing report on business. No strong cue for yen carry trades from Wall Street overnight after U.S. stocks closed mixed (DJIA up 0.05%, Nasdaq off 0.28%) despite stronger-than-expected U.S. August consumer confidence index (rose to 53.5 from revised 51.0 in July, vs 51.0 forecast); still, investor fear gauge VIX eased 4.26% to 26.05. USD/JPY undermined by concern over slowing U.S. economy highlighted in FOMC's August minutes; Japan exporter sales, lower U.S. Treasury yields, lingering views BOJ's recent monetary easing steps weren't aggressive enough to stem yen strength. But USD/JPY losses tempered by USD demand for import settlements, fears of Japan intervention in FX market. Other data focus: 1300 GMT Fed's Evans speaks, 1400 GMT U.S. July construction spending. USD/JPY daily chart mixed as MACD flat, stochastics turned bearish; 5-day moving average below 15-day and falling. Resistance at 84.66 (yesterday's high); breach would expose upside to 85.10 (hourly chart), then 85.92 (Monday's high), 86.39 (Aug. 13 high) and 87.02 (55-day moving average). Support at 83.80 (yesterday's low); breach would target 83.58 (15-year low set Aug. 24), then psychological round-numbered levels from 83.00 down to 80.00, and 79.70 (record low set April 19, 1995).

EUR/USD - to consolidate. Pair undermined by subdued investor risk sentiment, lingering concerns about impact of austerity measures on health of some euro-zone economies. Data focus: 0600 GMT German July retail trade, 0755 GMT German August manufacturing PMI, 0800 GMT euro-zone August manufacturing PMI. EUR/USD daily chart mixed as MACD bearish, but stochastics bullish at oversold. Resistance at 1.2743 (yesterday's high), then at 1.2778 (Friday's high); breach would expose upside to 1.2832 (Aug. 20 high), then 1.2902 (Aug. 19 high), 1.2923 (Aug. 18 high) and psychological 1.3000. Support at 1.2623 (yesterday's low); breach would target 1.2603 (Aug. 25 low), then 1.2584 (Aug. 24 low) and 1.2520 (July 13 reaction low).

AUD/USD - to consolidate; spotlight on 0130 GMT Australia 2Q GDP data. Pair underpinned by Aussie-USD yield gap; but gains tempered by weaker commodity prices (CRB spot index closed down 3.57 yesterday at 264.19), political uncertainty in Australia. Other data focus: 0630 GMT Australia August commodity price index. AUD/USD daily chart mixed as MACD bearish, but stochastics bullish at oversold; spinning-top candlestick pattern completed yesterday. Resistance at 0.8956 (yesterday's high); breach would target 0.9000 (hourly chart), then 0.9030 (Monday's high), 0.9058 (Aug. 18 high) and 0.9082 (Aug. 17 reaction high). Support at 0.8858 (yesterday's low); breach would target 0.8842 (Friday's low), then 0.8829 (Thursday's low), 0.8769 (Aug. 24 low) and 0.8735 (July 22 low).

NZD/USD - to consolidate. Pair supported by Kiwi-U.S. yield advantage; but topside limited by weaker commodity prices. NZD/USD daily chart negative-biased as MACD in bearish mode, stochastics turning bearish. Support at 0.6962 (yesterday's low); breach would target 0.6944 (Aug. 25 low), then 0.6882 (July 7 low), 0.6821 (July 6 low) and 0.6791 (July 1 reaction low). Resistance at 0.7050 (yesterday's high), then at 0.7075 (hourly chart); breach would expose upside to 0.7135-0.7140 band (Monday's high-Friday's high), then 0.7156 (Aug. 19 high), 0.7192 (Aug. 18 high) and 0.7246 (Aug. 11 high).

GBP/USD - to consolidate with bearish bias after falling one penny yesterday on strong European month-end demand for EUR/GBP cross. GBP/USD undermined by weak UK net mortgage lending in July (fell to just GBP86 million from downwardly revised GBP518 million in June, vs forecast for GBP700 million) lingering concerns over negative impact of fiscal tightening on UK economic growth. Data focus: 0830 GMT UK August CIPS manufacturing PMI. GBP/USD daily chart negative-biased as MACD bearish, stochastics reverting to bearish mode at oversold. Support at 1.5325 (yesterday's low, coinciding with 38.2% Fibonacci correction of advance from May 20 low of 1.4230 to Aug. 6 high of 1.6002); breach would expose downside to 1.5123 (July 21 reaction low, matching 100-day moving average and 50% correction), then psychological 1.5000 and 1.4946 (July 12 reaction low). Resistance at 1.5450 (hourly chart), then at 1.5477 (yesterday's high); breach would expose upside to 1.5580 (Monday's high), then 1.5597 (Thursday's high), 1.5620 (Aug. 23 high) and 1.5672 (Aug. 19 high).

USD/CHF - to consolidate with bearish bias after hitting nearly 8-month low of 1.0132 yesterday. USD/CHF undermined by CHF demand on weak EUR/CHF as cross hit record low of 1.2850 on EBS yesterday (last 1.2872). But USD/CHF losses tempered by fears of SNB CHF-selling intervention. Data focus: 0730 GMT Swiss August SVME PMI. Daily chart negative-biased as 5-day moving average below 15-day and falling; MACD & stochastics bearish, although latter at oversold. Support 1.0127 (Jan. 11 reaction low); breach would expose downside to parity, then 0.9958 (Dec. 3, 2009 low) and 0.9914 (Nov. 26, 2009 trough). Resistance at 1.0218 (hourly chart), then at 1.0263 (yesterday's high); breach would expose upside to 1.0315 (Monday's high), then 1.0328 (Aug. 25 high), 1.0452 (Aug. 24 high) and 1.0465 (Aug. 19 high).

USD/CAD - to consolidate with bullish bias after hitting 2-month high of 1.0672 yesterday. Pair supported by weaker commodity & oil prices (Nymex crude settled down \$2.78 yesterday at \$71.92/bbl as oversupply concerns grow), below-forecast Canada 2Q GDP (expanded 2% vs 2.5% expected), reduced expectations of BOC rate hike this month. USD/CAD daily chart positive-biased as MACD bullish, stochastics revert to bullish mode at overbought. Resistance at 1.0672-1.0677 band (yesterday's high-July 6 reaction high); breach would expose upside to 1.0851 (May 25 reaction high), then 1.0869 (Nov. 2 reaction high). Support at 1.0571 (yesterday's low), then at 1.0547 (hourly chart); breach would expose downside to 1.0469 (Monday's low), then 1.0441 (Aug. 23 low), 1.0378 (Aug. 20 low) and 1.0241 (Aug. 19 low).

EUR/JPY - to consolidate. Daily chart negative-biased as MACD bearish, stochastics reverting to bearish mode near oversold. Support at 106.14 (yesterday's low); breach would target 105.90 (Aug. 25 low), then 105.44 (9-year low set Aug. 24) and psychological 105.00. Resistance at 107.76 (yesterday's high); breach would expose upside to 108.25 (hourly chart), then 109.55-109.62 band (Monday's high-Aug. 20 high), 110.12 (Aug. 19 high) and 110.43 (Aug. 17 high).

EUR/GBP - to consolidate with bullish bias. Daily chart positive-biased as MACD & stochastics bullish; 5-day moving average staged bullish crossover against 15-day. Resistance at 0.8288 (yesterday's high, matching 55-day moving average); breach would target 0.8321 (Aug. 11 high), then 0.8364 (Aug. 10 reaction high), 0.8395 (100-day moving average) and 0.8415 (July 27 high). Support at 0.8209 (hourly chart); breach would expose downside to 0.8169 (yesterday's low), then 0.8152 band (Thursday's low), 0.8139 (Aug. 23 low) and 0.8065

(19-month low when hit June 29).