

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 | 85.57-85.93 | 85.20-86.39 |
| EUR/USD | 1.3016-1.3103 | 1.2974-1.3160 |
| AUD/USD | 0.9347-0.9421 | 0.9328-0.9468 |
| NZD/USD | 0.7234-0.7300 | 0.7211-0.7332 |
| GBP/USD | 1.5594-1.5677 | 1.5536-1.5728 |
| USD/CHF | 1.0067-1.0183 | 0.9995-1.0205 |
| USD/CAD | 1.0279-1.0350 | 1.0208-1.0374 |
| EUR/JPY | 111.57-112.28 | 110.63-112.98 |
| EUR/GBP | 0.8328-0.8380 | 0.8307-0.8402 |

(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, trading volumes thin in Asia trade as Japan markets closed for holiday Monday. USD/JPY buoyed by fear of further Japan MOF JPY-selling intervention as Finance Minister Noda Friday threatened to act again if necessary to weaken yen, although no BOJ operation spotted in FX markets since Wednesday's Y2 trillion intervention. USD/JPY also supported by Japan importer buy-USD orders for import settlements; but gains limited by lower U.S. Treasury yields, Japan exporter sell-USD orders; selling of yen crosses amid negative global risk sentiment (VIX fear gauge ended up 1.34% Friday at 22.01) as concerns about euro-zone sovereign-debt problems flared again, although U.S. stocks posted modest gains (DJIA up 0.12%, Nasdaq up 0.54%) on flows from U.S. quadruple witching expirations. USD/JPY topside also limited by surprise drop in University of Michigan mid-September consumer sentiment index to 1-year low of 66.6 from 68.9 in August (vs forecast for rise to 70.0), weak U.S. August core CPI (flat vs +0.1% forecast) raising worries about deflation and speculation of further quantitative measures from U.S. Federal Reserve later this year, although FOMC not expected to announce any new bond-buying programs at its monetary policy meeting tomorrow. Data focus: 1400 GMT U.S. Sep NAHB housing market index. USD/JPY daily chart still positive-biased as MACD & stochastics bullish, although latter at overbought. Resistance at 85.93 (high of Thursday & Friday, near 55-day moving average); breach would expose upside to 86.39 (Aug. 13 high), then 86.49 (Aug. 5 high), 86.88 (Aug. 2 high) and 88.11 (July 28 reaction high). Support at 85.57 (Friday's low); breach would target 85.20 (Thursday's low), then 84.43 (previous cap set Sept. 10) and 82.87 (Wednesday's fresh 15-year low).

EUR/USD - to consolidate with risks skewed lower. Pair undermined by unwinding of long-EUR carry trades on increased risk aversion as Ireland's debt worries persist despite assurances from Irish officials and IMF; positions adjustment ahead of tomorrow's US FOMC announcement. EUR/USD daily chart mixed as MACD bullish, but stochastics turned bearish at overbought; bearish shooting-star candlestick pattern completed Friday. Support at 1.3016 (Friday's low); then at 1.2974 (Thursday's low); breach would target 1.2953 (Wednesday's low), then 1.2918 (previous cap set Sept. 6), 1.2871 (55-day moving average), 1.2826 (Tuesday's low) and 1.2701 (Sept. 13 low). Resistance at 1.3103 (hourly chart), then at 1.3160 (Friday's high); breach would reinstate near-term positive bias, exposing upside to 1.3225 (200-day moving average), then 1.3333 (Aug. 6 reaction high).

AUD/USD - to consolidate with risks skewed lower. Pair undermined by unwinding of long-AUD carry trades on higher investor risk aversion, positions adjustment ahead of tomorrow's US FOMC announcement. But AUD/USD losses tempered by Aussie-USD yield gap, firmer commodity prices (CRB spot index settled up 0.96 Friday at 279.65). Focus on RBA Gov. Stevens' speech due 0130 GMT. AUD/USD daily chart mixed as MACD bullish, but stochastics bearish at overbought; bearish doji shooting-star candlestick pattern completed Friday. Support at

0.9347 (Friday's low), then at 0.9328 (Thursday's low); breach would target 0.9311 (Tuesday's low), then 0.9286 (Sept. 13 low), 0.9202 (Sept. 10 low) and 0.9168 (Sept. 9 low). Resistance at 0.9421 (hourly chart), then at 0.9468 (Friday's high); breach would reinstate near-term positive outlook, exposing upside to psychological round-numbered levels from 0.9500 up to 0.9800, then 0.9849 (July 15, 2008 post-float high).

NZD/USD - to consolidate with risks skewed lower. Pair undermined by unwinding of long-NZD carry trades on lower investor risk appetite, positions adjustment ahead of tomorrow's US FOMC announcement, lingering effect from last week's surprisingly dovish RBNZ statement. But NZD/USD losses tempered by Kiwi-USD yield gap, firmer commodity prices. NZD/USD daily chart mixed as MACD bullish, but stochastics falling from overbought. Support at 0.7234 (Friday's low), then at 0.7211 (Thursday's low); breach would target 0.7196 (Sept. 9 low), then 0.7155 (Sept. 8 low), 0.7126 (Sept. 3 low) and 0.7085 (200-day moving average). Resistance at 0.7300 (hourly chart), then at 0.7332 (Friday's high); breach would target 0.7356 (Wednesday's high), then 0.7395 (Tuesday's high), 0.7441 (Jan. 14 reaction high) and 0.7521 (Nov. 16, 2009 reaction high).

GBP/USD - to consolidate with risks skewed lower. Pair undermined by higher investor risk aversion, positions adjustment ahead of tomorrow's US FOMC announcement, concerns over negative impact of fiscal tightening on UK economy. Data focus: 0830 GMT September BOE trends in lending report, UK August CML mortgage lending figures. GBP/USD daily chart mixed as MACD bullish, but stochastics turning bearish at overbought; bearish shooting-star candlestick pattern completed Friday. Support at 1.5594 (Friday's low); breach would expose downside to 1.5536 (Thursday's low), then 1.5446 (Wednesday's low), 1.5345 (Tuesday's low), 1.5294 (Sept. 7 low) and 1.5146 (100-day moving average). Resistance at 1.5677 (hourly chart), then at 1.5728 (Friday's high); breach would reinstate near-term positive outlook, exposing upside to 1.5910 (Aug. 10 high), then 1.6002 (Aug. 6 top).

USD/CHF - to range-trade. Pair underpinned by fear of SNB's CHF-selling intervention, positions adjustment ahead of tomorrow's US FOMC announcement; but topside limited by unwinding of short-CHF carry trades amid weaker investor risk tolerance. Daily chart mixed as stochastics in bullish mode, but MACD flat, 5- & 15-day moving averages still falling. Resistance at 1.0183 (Friday's high); breach would target 1.0205 (Sept. 13 high), then 1.0277 (Sept. 10 reaction high), 1.0315 (Aug. 30 high) and 1.0328 (Aug. 25 high). Support at 1.0067 (Friday's low); breach would expose downside to 0.9995 (Thursday's low), then 0.9945 (Wednesday's low), 0.9930 (Tuesday's 10-month low) and 0.9914 (Nov. 26, 2009 trough), below which would open way down to psychological round-numbered levels from 0.9900 down to 0.9600, then 0.9572 (record low set March 17, 2008).

USD/CAD - to trade with risks skewed higher. Pair buoyed by negative global risk sentiment, weaker oil prices (Nymex crude settled down 91 cents Friday at \$73.66/bbl), positions adjustment ahead of tomorrow's US FOMC announcement. Data focus: 1230 GMT Canada July wholesale trade, July international transactions in securities. USD/CAD daily chart mixed as MACD bearish, but stochastics bullish at oversold; bullish key-reversal-day pattern completed Friday. Resistance at 1.0350 (Friday's high); breach would target 1.0374 (Sept. 10 high, coinciding with 200-day moving average), then 1.0394 (Sept. 9 high) and 1.0509 (Sept. 8 high). Support at 1.0279 (hourly chart), then at 1.0208 (Friday's low); breach would reinstate near-term negative bias, exposing downside to 1.0102 (Aug. 5 reaction low), then 1.0010 (April 29 low).

EUR/JPY - to consolidate after hitting 6-week high of 112.98 Friday. Cross weighed by weaker EUR sentiment, unwinding of carry trades on diminished investor risk appetite; but losses tempered by fear of further Japan MOF JPY-selling intervention. Daily chart still positive-biased as MACD & stochastics bullish, but latter at overbought. Support at 111.57 (Friday's low); breach would expose downside to 110.63 (Thursday's low, near 55-day moving average), then 109.55 (previous cap set Aug. 30), 107.70 (Wednesday's low) and 106.71 (Tuesday's low). Resistance at 112.28 (hourly chart), then at 112.98 (Friday's high); breach would expose upside to 113.93 (Aug. 9 high), then 114.17 (Aug. 2 high) and 114.73 (July 28 reaction high).

EUR/GBP - to range-trade. Daily chart mixed as MACD bullish, but stochastics turning bearish at overbought, inside-day-range pattern completed Friday. Support at 0.8328 (Friday's low), then at 0.8307 (Thursday's low); breach would expose downside to 0.8268 (Sept. 13 low), then 0.8211 (Sept. 10 low), 0.8200 (Sept. 8 low) and 0.8169 (Aug. 31 low). Resistance at 0.8380 (Friday's high), then at 0.8402 (Wednesday's high) and 0.8415 (July 27 high); breach would expose upside to 0.8466 (July 22 high), then 0.8478 (July 21 high) and 0.8532 (July 19 reaction high).