IFX PAYMENTS

WEEKLY FX REPORT

EUR/USD

Fundamental Analysis

Recent developments

EUR/USD slumped below 1.15 last week, succumbing to a bout of dollar strength in the aftermath of new Fed Chair Warsh's first Fed meeting. Breaching some key chart technical levels led to some further long liquidation and selling of the pair now testing the March lows of 1.1410.

> **'Stagflation dynamics currently hurting the euro'**

Warsh struck a hawkish tone in his press conference, vowing that the commitment to deliver 2% inflation is "strong, unanimous and unambiguous", sending a hawkish signal which drove a sharp dollar rally. Manufacturing and services PMI data is the main eurozone data release this week, alongside Thursday's Core PCE.

The stagflation narrative is likely dogging the euro currently. The ECB are hiking rates due to inflation remaining above target, but economic growth remains tepid at best. The combination of higher rates into a low growth environment does not make for positivity toward a currency.

There appears to be increased appetite from speculators to sell into rallies in EURUSD and we see little to shift this dynamic over the coming few weeks.

Warsh prompts dollar rally with hawkish messaging in first Fed meeting

The tone, style and substance of Warsh's first Fed meeting as Chair was highly anticipated. We did not get the dovish, Trump puppet that some had expected. The commitment to fight inflation was clear, neither hikes or cuts were on the table near-term, labour markets were described as stable, and, crucially, Warsh stated that there would be less forward guidance from the Fed. Forward guidance is when a central bank tells markets how it is likely to behave in the future, tantamount to managing expectations and smoothing out volatility.

The fact that Warsh will do *less of this* will put more emphasis on economic data (to drive policy decisions) and should drive a bit more volatility. Markets reacted to Warsh with a dollar rally both on what was said, and the lack of dovish ideology. Elsewhere, the US Iran deal has looked a little fragile but both sides appear committed to making progress over the next 60 days. This is having a limited impact on the dollar currently. Thursday's CORE PCE (an inflation measure) is the main data this week, and Tuesday's PMI data will provide an update on domestic services and manufacturing sector buoyancy.

EUR/USD Daily Chart

IFX Payments created with TradingView.com, Jun 22, 2026 10:17 UTC+1

TradingView

Market Condition

Daily
Downtrend

Weekly
Downtrend

Technical Analysis

EURUSD remains in a technical downtrend, enveloped within trendline resistance to the upside (red dotted line in chart) and trendline support (green dotted). Price action has now broken below the big 1.15 technical level and is now holding at the 1.1443 which was a double low from March and April this year.

A break below 1.1445 would pave the way for a further slide to test the March low of 1.1410 and the 1.1390. Bounces from current levels are likely to be faded by the market which could occur at the 1.15 and 1.1576 upside levels which should remain robust this week.

Upside

1.15

Near term bounces may find some resistance here

1.1576

A more meaningful bounce could test this level – unlikely to be breached this week

1.1615

Rallying above this level difficult to achieve under current fundamentals

Downside

1.1445

Big support level from Q1 this year currently acting as support but looks vulnerable

1.1390

Big technical support level from August 2025.

1.1265

Bigger EURUSD sell off could test this level

Looking Ahead

A look ahead to the key scheduled data releases for the week

EUR

24 Monday	25 Tue	26 Wed	27 Thu	28 Fri
	AM: Manufacturing and services PMI			

USD

24 Monday	25 Tue	26 Wed	27 Thu	28 Fri
	PM: Manufacturing and services PMI		PM: Core PCE price index Final GDP m/m	

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Daily
Uptrend


Weekly
Uptrend


Daily
Downtrend


Weekly
Downtrend


Daily
Consolidation


Weekly
Consolidation