IFX PAYMENTS

WEEKLY FX REPORT

EUR/USD

Fundamental Analysis

Recent developments

EUR/USD, understandably, is trading in a tight, sideways rangebound market condition. FX is showing minimal reaction to middle east developments, and both central banks are in stasis, as markets begin to show signs of a summer 'lull'.

With US data very light this week, focus will be on Thursday's ECB meeting, where markets do not expect a change in interest rates, but will focus on ECB chief Lagarde's comments in the press conference.

> 'Lagarde likely to strike a hawkish tone given recent oil price rally'

The recent rise in oil prices of course re-asserts near term inflation pressures, and because of this , it is reqsoinable to assume Lagarde will strike a hawkish tone. As it stands, the signals lean towards another hike at the September meeting. Markets currently price for almost 0.5% of hikes between now and year end. With eurozone growth so low, and cocktail of a hawkish central bank bias and low growth has been negative for the euro of late, but downside momentum has clearly faded, although it remains difficult to create a fundamental backdrop that could drive meaningful gains in price action

Dollar consolidates after big downside surprise in US inflation

The dollar weakened last week as US inflation was far lower than forecast, with month on month at -0.4% (versus forecast of -0.1%), and the headline year on year printing 3.5%, below the 3.8% forecast. This alleviated some pressure on the Fed to hike rates, and markets ascribe a 85% probability to the Fed remaining on hold at next weeks' meeting. There is some

The dollar seems unable to weaken materially with the current volatile geopolitical environment. Visible tanker traffic through the strait of Hormuz has slowed dramatically following Iranian attacks on vessels. Oil continues to remain supported but gains are not dramatic, with Brent trading at $89/ Barrel up from $71 two weeks ago. With a light Us data schedule this week, we may expect continuation of a rangebound dollar this week.

EUR/USD Daily Chart

IFX Payments created with TradingView.com, Jul 21, 2026 09:47 UTC+1

TradingView

Market Condition

Daily
Downtrend

Weekly
Downtrend

Technical Analysis

EUR/USD remains in a technical downtrend, enveloped within trendline resistance to the upside (red dotted line in chart) and trendline support (green dotted). Price action is failing at the upper trendline resistance, but downside momentum is limited.

The 1.1390 level to the downside is broadly supportive during declines. There is nothing exciting to say technically with this pair until the upside trendline and the 1.15 can be breached to the upside. Downside moves should be contained by support at 1.1350

Upside

1.1450	1.15	1.1576
Trendline resistance sits around this level.	Expect resistance at this key level.	Upside target if 1.15 is breached to the upside.

Downside

1.1390	1.1325	1.1265
The first downside support level below spot.	Late June momentum low will provide technical support.	Big long term technical level from 2024.

Looking Ahead

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

EUR

21 Monday	22 Tue	23 Wed	24 Thu	25 Fri
			PM: ECB meeting	AM: Manufacturing and services PMI

USD

21 Monday	22 Tue	23 Wed	24 Thu	25 Fri
			PM: Unemployment claims	PM: Manufacturing/ services PMI

IFX PAYMENTS

The Carter, 11 Pilgrim Street
London, EC4V 6RN