IFX PAYMENTS

WEEKLY FX REPORT

EUR/USD

Fundamental Analysis

Recent developments

EUR/USD, as outlined last week, continues to trade in a tight consolidation range and volatility remains low. The ECB meeting last week delivered the 'as expected' rate hold, contributing to the sanguine market conditions. The dollar has been broadly supported of late in sympathy with rising oil prices, but oil is selling off hard to begin the week.

Yet another temporary de-escalation has prompted the oil down, equities up, dollar down playbook to kick off the week. The risk of re-escalation and further oil price rallies continues to be an ongoing headache for central bank policymakers.

> ‘ECB decide to assess data between now and September meeting’

We stated that Lagarde would likely strike a hawkish tone last week – this was the case. She said the ECB considered the argument to hike, but in the end the vote to hold was unanimous. The agreement was to watch the data between now and the September meeting, which we note will include two inflation prints, two PMIs, GDP and wage data. Should these reflect ongoing inflation pressure, the chance of a September hike will solidify.

Should oil prices continue to fall this week, EUR/USD should hold around current levels with a modest upside bias, although making headway beyond 1.15 currently looks difficult to achieve.

Fed likely to keep rates on hold, but risk of hike remains

The market's 'base case' is that the Fed will keep rates on hold this week. Just 10 basis points of hikes are priced. Should a hold take place, the impact on the dollar will be benign. However, markets could be underestimating the risk of a hike this week, particularly given that new Fed Chair Warsh has persistently flagged that inflation is too high, and he is keen to move away from 'forward guidance' (i.e. to not indicate what future policy is likely to be).

Therefore, we should flag that a surprise rate hike this week is a tail risk and could prompt a dollar rally in the event it unfolds. The recent oil price rises will be fresh on the FOMC's mind and will remain a headache going forward. In equities, there are a number of earnings releases this week which, if disappointing, could prompt some equity downside which would provide dollar support. In general, we feel the dollar should remain on the firmer side across the week.

EUR/USD Daily Chart

IFX Payments created with TradingView.com, Jul 27, 2026 09:07 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 continues to be 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

Trendline resistance sits around this level.

1.15

Expect resistance at this key level. Bullish if broken to the upside!

1.1576

Upside target if 1.15 is breached to the upside.

Downside

1.1390

The first downside support level below spot.

1.1325

Late June momentum low will provide technical support.

1.1265

Big long term technical level from 2024.

Looking Ahead

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

EUR

27 Monday	28 Tue	29 Wed	30 Thu	31 Fri
			AM: German prelim CPI	AM: CPI (inflation) y/y

USD

27 Monday	28 Tue	29 Wed	30 Thu	31 Fri
		PM: FOMC meeting	PM: Core PCE m/m	PM: Consumer sentiment

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The Carter, 11 Pilgrim Street
London, EC4V 6RN