

A background image of a financial chart on a screen. The chart is a candlestick chart with a grid, showing price fluctuations. A white line is overlaid on the chart, possibly representing a moving average or a trend line. The chart is tilted slightly to the right. The overall color scheme is dark blue and purple.

EUR/USD

Weekly FX Report

Fundamental Analysis

Recent developments

EUR/USD edged higher last week, contained within recent technical ranges, predominantly driven by a softer dollar. Relentless moves higher in the equity space and a benign rate policy outlook for the Fed has kept the dollar trading water in a low volatility regime. Given a dearth of eurozone-centric data last week and this week, much focus has been placed on rhetoric from ECB President Lagarde and other protagonists such as de Guindos.



**‘Lagarde stresses
‘massive uncertainty’
as markets keep
June rate hike
chances alive’**

Lagarde has stressed “massive uncertainty” (on growth and inflation) driven by the Iran war, underscoring the risk of acting too early or too late on rate policy. She said she needs “a lot more data” and declined to signal whether rates will rise at the June meeting. Market pricing sees around 20 basis points of hikes for June, making the meeting very much ‘live’. De Guindos urged prudence from the ECB, conceding that “data on growth over the next few weeks is not going to be good”. This highlights the higher inflation/low growth quandary the ECB finds itself in.

Dollar drifts as catalyst for strength currently lacking

The markets, and messaging from the Fed, effectively have the balance of the year marked down as a holding pattern, with rates on hold. This takes some intrigue out of the FX market in relation to economic data releases and places the emphasis on geo-political developments and macro cross-asset themes. Last Friday’s Non-Farm Payrolls – which beat expectations quite comfortably – caused little reaction, as markets see little scope for data to materially shift Fed rate policy. As such, tomorrow’s CPI (inflation) would need to print significantly higher than the +0.3% core inflation number to arrest the modest dollar weakness currently in play. As ever, US/Iran developments remain a key driver of market sentiment, but markets are perhaps becoming less sensitive to the well trodden playbook. US equities continue to ‘rip’ higher driven by the big cap hyper-scalers. It is not inconceivable that a healthy equities pullback could be pending, which would lend some support to the dollar should it materialize in coming weeks.

EUR/USD Daily Chart

IFX Payments created with TradingView.com, May 11, 2026 09:57 UTC+1

Euro / U.S. Dollar · 1D · FXCM O1:1.17449 H1:1.17821 L1:1.17449 C1:1.17734 -0.00110 (-0.09%)



TradingView

Market Condition



Technical Analysis

EUR/USD is currently probing the key upside resistance level highlighted in recent commentary; 1.1780. While this remains a clear upside barrier, there also remains strong technical support at the 1.1669 level which also coincides with the heavily monitored 200 Day moving average (shown in the chart on prior page). If price action can push up through 1.1780, the clear upside technical continuation pattern would bring the 1.1825 into focus. This would currently require a continuation of modest dollar weakness and continued 'risk on' on equity market sentiment.

Upside

1.1780

—
Meaningful upside resistance as seen last week!

1.1825

—
The medium-term upside technical target.

1.1918

—
Major upside resistance level which would require significant dollar weakness to achieve.

Downside

1.1669

—
Strong technical support and where 200 DMA resides.

1.1615

—
Short term technical target if 1.1669 breaks.

1.15

—
Major long term technical support evident here.

Looking Ahead

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

EUR

11 Monday	12 Tue AM: German ZEW economic sentiment	13 Wed PM: Lagarde speaks	14 Thu German & French bank holiday	15 Fri
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USD

11 Monday	12 Tue PM: CPI (inflation)	13 Wed PM: Core PPI	14 Thu PM: Retail sales Various Fed speakers	15 Fri
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