IFX PAYMENTS

WEEKLY FX REPORT

EUR/USD

Fundamental Analysis

Recent developments

EUR/USD held our strong technical support level at 1.15 last week, staging a solid bounce in the aftermath of a rate hike from the ECB on Thursday. The move higher has extended above the 1.16 handle to begin this week, as the dollar trades a little weaker in the aftermath of the US/Iran deal, which markets are seeing as a done deal.

> **‘Hawkish ECB helps euro push higher, but July hike still in question’**

The market will now be keen to see more tangible outcomes: a signed deal, evidence of shipping passing freely through the Strait of Hormuz, and, crucially, whether Iran will take steps towards denuclearisation. For now, markets are ebullient. Wednesday's FOMC is the highlight this week, where rates will remain unchanged, but the tone of Warsh's first meeting will be a focus for markets.

The ECB raised rates by 0.25% last week as expected. Lagarde did not explicitly signal a consecutive rate hike for the July meeting. However, another full hike is priced by the September meeting, leaving the ECB in tightening mode well ahead of the likes of the BoE and Fed. Interestingly, ECB members who have spoken since the meeting last week have sounded more hawkish – Austria's Kocher stating that the ECB needs to act more "decisively". In our view, the news of a peace deal (however fragile it may be) is taking some inflation heat off the ECB, and we see a hold in July. In general, the hawkish tone and 'risk on' macro markets support a skew to the upside in EUR/USD from current levels.

Markets keen to assess the tone of Warsh's first FOMC meeting as new Chair

The peace deal, this time, looks to be the real deal. Markets, of course, have reacted strongly with equities bid, oil lower, and the dollar softer. Should the market see tangible increased shipping flow through the Strait of Hormuz, these market moves should meaningfully extend. The disinflationary impact of this will begin to curb the inflation risks for central banks, including the Fed, who had become more hawkish for Q4. The risk to this medium-term view would lie in any military strikes which break the ceasefire, or intransigence on Iran's behalf vis-à-vis its nuclear programme.

Markets fully expect the Fed to hold rates unchanged this week, but the real focus will be on Kevin Warsh – the new Fed Chair. Many assume that Warsh is ideologically dovish, and of course Trump is permanently advocating for rate cuts. The tone and language used by Warsh will be absolutely pivotal – with the labour market very strong, the inflation side of the Fed mandate is the focus (which last week was >4%, more than double the target). A focus on fighting inflation would be seen as hawkish and dollar supportive, but perhaps the ceasefire news will pave the way for Warsh to acknowledge reduced inflation risk in the longer-term forecast.

EUR/USD Daily Chart

IFX Payments created with TradingView.com, Jun 15, 2026 10:06 UTC+1

TradingView

This TradingView graph has been modified to display ‘trendline resistance’ and ‘trendline support’.

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 on our chart) and trendline support (green dotted line). Price action has bounced from our big 1.15 technical level. While the 1.1615 is acting as resistance so far today, extension to the upside this week could bring a move towards the 200-day moving average in to focus. This lies at 1.1670.

Technically, there are robust upside resistance levels around 1.1680, but a break above that level would be bullish. Should the downside reassert itself, bears would need to see a break down through the 1.15. A failure to do that would point toward a period of consolidation between 1.15 and 1.1680. This week, we would maintain a modest upside bias to price action.

Upside

1.1615

The first upside resistance level above where spot trades.

1.1680

The 200 DMA sits here and will likely cap rallies.

1.1730

Trendline resistance and technical levels here will offer significant resistance.

Downside

1.15

Long-term technical support here which may offer intra-day technical support.

1.1443

Support evident here in March. Will be used as a reference point.

1.1390

Big technical support level from August 2025.

Looking Ahead

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

EUR

15 Monday	16 Tue	17 Wed	18 Thu	19 Fri
AM: Lagarde speaks	AM: German economic sentiment			

USD

15 Monday	16 Tue	17 Wed	18 Thu	19 Fri
		PM: FOMC meeting	PM: Philly Fed manufacturing index	PUBLIC HOLIDAY

IFX PAYMENTS

The Carter, 11 Pilgrim Street
London, EC4V 6RN