



EUR/USD

Weekly FX Report

Fundamental Analysis

Recent developments

EUR/USD saw reduced volatility across the week, capped by our nearby upside technical resistance level of 1.1918 detailed in recent reports. Recent price action has been entirely dominated by dollar dynamics, with stronger than expected Non-Farm payroll (NFP) data pushing out the timing of the next rate cut in the US and lending some marginal support to the dollar. Friday's manufacturing and services PMI data represents the main economic data for the US and Europe this week.



'PMI data the highlight for euro this week'

A dearth of eurozone data of late has left the focus on various ECB speakers to pontificate over recent euro strength. Kazaks suggested they had “yet to see full impact of euro appreciation” and ECB were in “monitoring mode”, whilst Makhouf warned rates could move either way depending on the inflation path. Our view is that disinflationary pressures will preclude a rate hike any time soon, and rates will remain on hold for many months. Price action remains, once again, predominantly driven by the dollar, with the path of least resistance skewed to further near-term upside in EUR/USD.

Dollar volatility reduces as market awaits fresh impetus

The dollar absorbed tier one data last week to leave price action, and sentiment in stasis, needing a fresh theme to drive any further meaningful moves. NFP data that smashed forecasts drove intra-day strength, but this was quickly reduced by the market, indicating a lack of appetite for meaningful dollar upside. This was backed up by lower inflation data on Friday, although the core (non-food and energy element) remained somewhat resilient. This week, US data is backloaded to Friday, where the core PCE price index is key – a rise to 0.3% or higher would be dollar supportive, followed in short order by manufacturing and services PMI data where dollar bulls will hope recent resilience will be continued. The speculative dollar shorts may become uncomfortable if further dollar weakness is not forthcoming, meaning the current environment may induce further short covering, especially if data this week is supportive. In general however the ingredients for a meaningful dollar bounce remain unforthcoming.

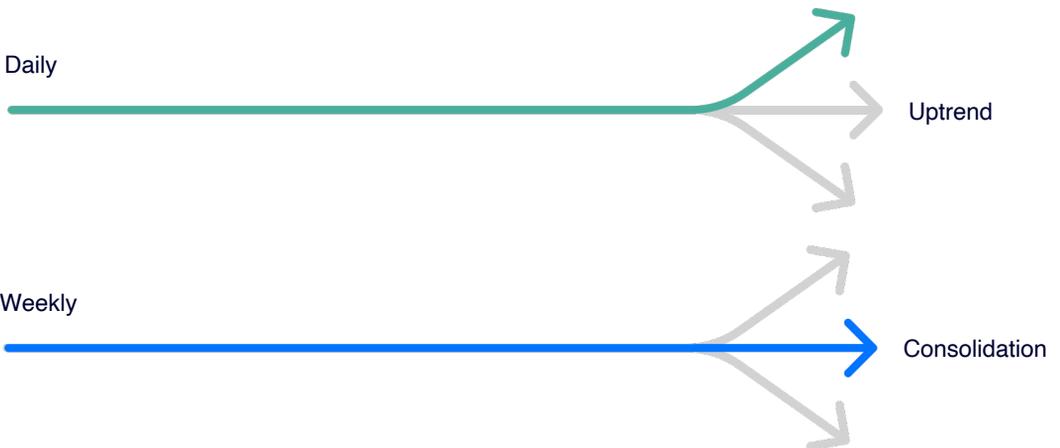
EUR/USD Daily Chart

IFX Payments created with TradingView.com, Feb 16, 2026 09:40 UTC



TradingView

Market Condition



Technical Analysis

EUR/USD remains in a short-term consolidation, capped by 1.1918 to the upside, and finding technical support at the 1.1825/1.1780. We are clear that a sell off through 1.1780 would negate the current slightly bullish technical picture and signify a shift to more constructive/less bearish positioning toward the dollar, should this occur. To the upside, a close above 1.1918 would set up a continuation of the broader rally to test the 1.2012/1.2082 levels, but this will require a fresh bout of weaker US data.

Upside

1.1918

September momentum high is the upside target in this move higher.

1.1950

Trendline resistance sits here and may act as a strong cap on gains.

1.2012

Upside failed at this big level during recent move higher.

Downside

1.1825

This is the nearest technical support below spot price action.

1.1780

Market held this huge level two weeks ago and may do so again if tested.

1.1730

A break below here would signify substantial improvement in dollar sentiment.

Looking Ahead

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

EUR

<p>16 Monday</p> <p>AM: Nagel speaks</p>	<p>17 Tue</p> <p>AM: Economic sentiment</p>	<p>18 Wed</p>	<p>19 Thu</p>	<p>20 Fri</p> <p>AM: Manufacturing & services PMI</p>
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USD

<p>16 Monday</p> <p>BANK HOLIDAY (PRESIDENTS DAY)</p>	<p>17 Tue</p> <p>PM: Empire state manufacturing index</p>	<p>18 Wed</p> <p>PM: Durable goods orders</p> <p>FOMC meeting minutes</p>	<p>19 Thu</p> <p>PM: Unemployment claims</p>	<p>20 Fri</p> <p>PM: GDP Core PCE Manufacturing & services PMI</p>
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