



EUR/USD

Weekly FX Report

Fundamental Analysis

Recent developments

EUR/USD traded in a tight range all week but begins the week sharply lower as US/Iran conflict begins. The result is the normal cross-asset 'reaction function' of higher oil prices, stronger dollar, inflows into Gold/Swiss franc, and weakness in equities & currencies such as the euro which are energy *importers*. Inflation data on Tuesday is the key eurozone release this week, while in the US, Friday's Non-Farm Payrolls (NFP) provide the latest update on employment, expected to moderate somewhat after last months upside surprise.



'Eurozone is a net importer of energy, thus causing some near-term downside'

The euro area is a net importer of energy, so the knee jerk move lower in the euro today is to be expected. The markets will react to whether Iran conflict will be short and sharp, or a lengthier affair and to what extent oil transportation will be disrupted etc. Price action will be headline driven and the dollar will remain the bigger driver of EUR/USD action. Tuesday's inflation data is expected to remain just above target at 2.2%, but markets will look through this data given the rise in oil prices will assert some upside pressure on inflation in the near term.

Geo-political developments drive safe-haven inflows

Last week saw a far quieter dollar dynamic, as recent drivers of dollar volatility died down. US strikes in Iran has brought volatility back (although market reaction cross-assets is far from extreme). The dollar is seeing safe-haven in-flows thus far – crucially the dollar has an advantage over energy importing currencies (such as EUR and JPY) as the US is a net energy exporter. Trump suggests conflict could last a month – oil markets are in surplus, but the risk of prolonged disruptions in the Strait of Hormuz may keep oil prices elevated in the near term. USD is *unlikely* to weaken materially under current dynamics. Manufacturing and services PMI are released in the US this week, but Friday's Non-Farm Payrolls (NFP) is expected to deliver a more moderate 60,000 jobs added last month, with unemployment rate changed at 4.3%. In general, the dollar is expected to remain supported but intra-day price action could be choppy given the magnitude of these geopolitical developments.

EUR/USD Daily Chart

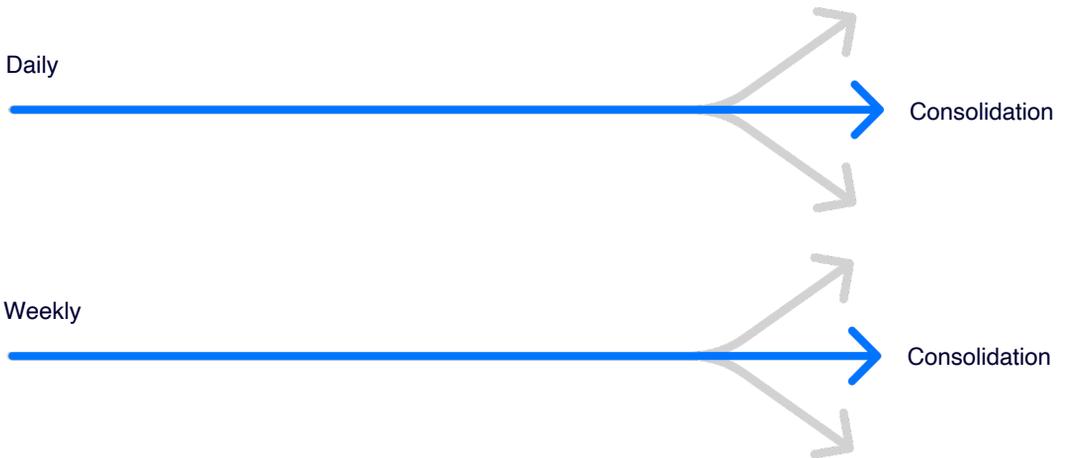
IFX Payments created with TradingView.com, Mar 02, 2026 09:51 UTC

Euro / U.S. Dollar - 1D - OANDA O1.17685 H1.17958 L1.16981 C1.17345 -0.00827 (-0.70%)



TradingView

Market Condition



Technical Analysis

EUR/USD, having consolidated as expected last week, has sold off this morning, although volatility is not particularly high in terms of historical reactions to major macro developments. Price action will be expected to remain on the weaker side, but often the initial reaction is the biggest. The 1.1714 level has been tested and held so far today. Should we see a more significant dollar rally, a move to major support at 1.1573 is plausible. Any rallies are likely to fail at the trendline resistance (red dashed line in chart), and the 1.1804 level is a strong upside technical resistance. A rally through 1.1850 would only be possible if military action is ceased, unlikely but not impossible.

Upside

1.1825

Momentum high during 2025 is a short-term resistance level.

1.1918

The September 2025 high has remained an upside cap on rallies.

1.2012

Upside failed at this big level during recent move higher.

Downside

1.1714

This is the nearest technical support below spot price action.

1.1656

Some support expected here if tested.

1.1573

Downside target this week if another wave of USD strength is seen.

Looking Ahead

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

EUR

02 Mon PM: Lagarde speaks	03 Tue AM: Eurozone inflation	04 Wed	05 Thu PM: Lagarde speaks	06 Fri
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USD

02 Mon PM: ISM Manufacturing PMI	03 Tue	04 Wed PM: ADP Non-Farm employment change ISM services PMI	05 Thu PM: Unemployment claims	06 Fri PM: Non-Farm Payrolls Retail Sales
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