



# EUR/USD

Weekly FX Report

## Fundamental Analysis

### Recent developments

EUR/USD pushed higher last week, as the dollar suffered on a lack of safe-haven buying requirements given the US/Iran situation has generally continued down the de-escalation path and equities have been surging to the upside. If negotiations progress positively, the path of least resistance is to the upside for this pair, but, as the weekend illustrated, safe passage through the Strait of Hormuz is not a given.

European PMI data is a highlight this week, as is US retail sales on Tuesday which will provide a fresh temperature check on consumer activity since the conflict began.



**‘ECB keen observe more economic fall out from middle east conflict before ’**

Just a few weeks ago, the market was entertaining the prospect of a rate hike from the ECB as early as next week’s meeting. Lagarde’s rhetoric last week strongly suggested that it remains too early to see the full effect on growth and inflation. As such, next week’s ECB meeting is now seen as a likely ‘hold’. The dollar will remain the more dominant driver of price action in this pair this week, with the usual pattern of conflict de-escalation = weaker dollar and vice versa. Thursday’s manufacturing and services PMI provides the key scheduled data release for the Euro.

### Safe-haven bid for dollar fades as equities surge

Animal spirits returned to equity markets as the extension to the ceasefire left a more inflammatory military outcome looking less likely, although Trump’s erratic nature means it can’t be wholly discounted. As has been the case all year, the dollar weakens under such scenarios and if the current market tone continues, it will be difficult for the dollar to stage a meaningful recovery unless conflict concerns re-ignite. The IMF report on the impact to growth from the war garnered a lot of attention last week. The US had just 0.1% of growth taken off for 2026, and of course, as a large producer of Oil, it remains quite insulated from the energy shock. Consumer sentiment in the US has, however, turned to the lowest levels for decades. Fed chair Powell’s term is due to end on May 15<sup>th</sup> - Fed Chairman designate Kevin Warsh has his Senate banking committee hearing on Tuesday with a lack of clarity over the transition. US retail sales are a highlight on Tuesday, although US/Iran negotiations remain the biggest driver of the dollar this week.

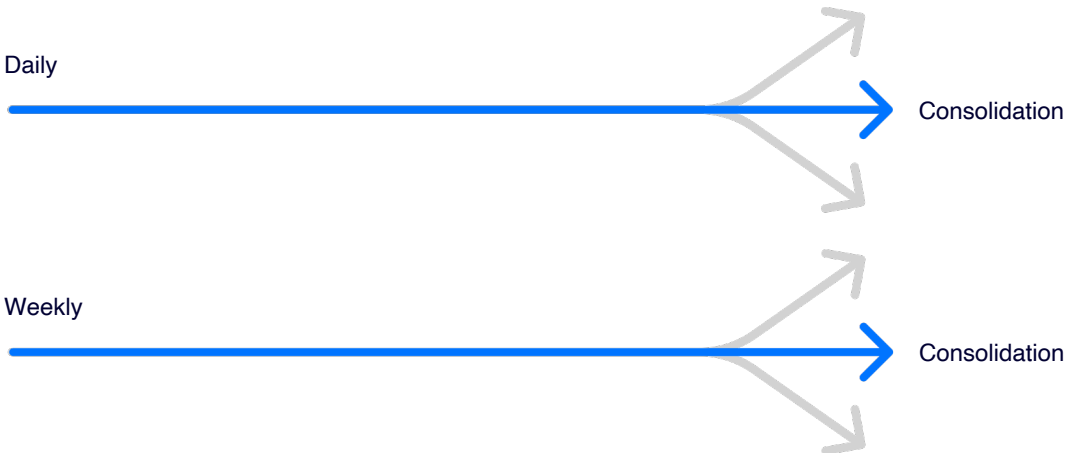
# EUR/USD Daily Chart

IFX Payments created with TradingView.com, Apr 20, 2026 09:43 UTC



TradingView

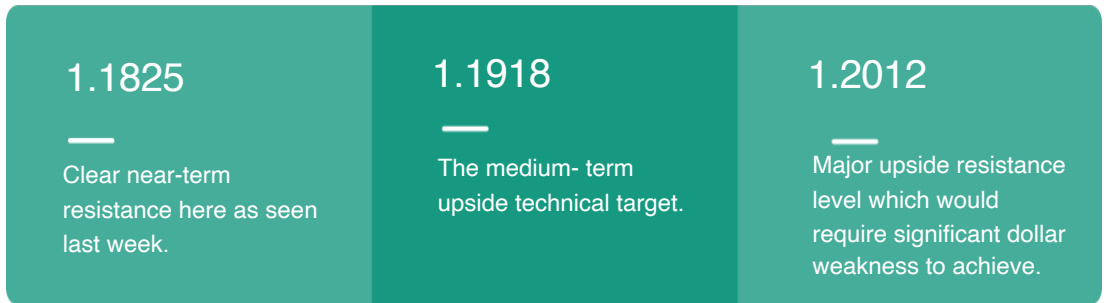
## Market Condition



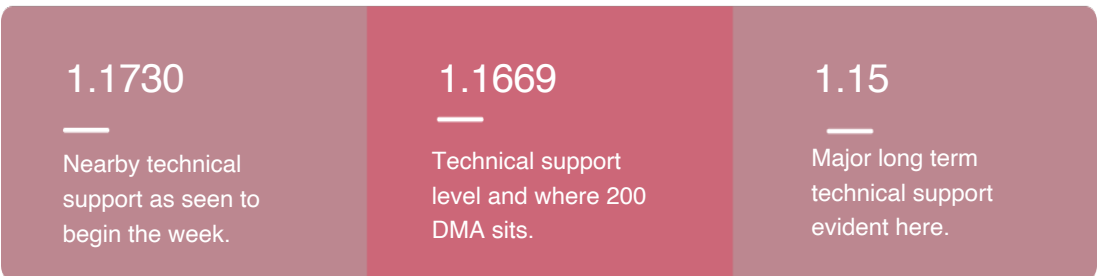
## Technical Analysis

EUR/USD has continued the near-term uptrend on the daily timeframe. Price action on Friday was bearish closing down on the day having briefly traded above the 1.1825 level. The 1.1730 level has provided support so far today, but if the dollar stages a bounce (on some middle east escalation) the near-term risk is for a move to the 1.1670 level which is also where the 200 Day moving average sits. To the upside, the market needs to close for a day or two above 1.1825 to look technically convincing for a further rally, with 1.1918 the longer-term technical target.

### Upside



### Downside



# Looking Ahead

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

## EUR

<b>20</b> Monday	<b>21</b> Tue	<b>22</b> Wed  PM: Lagarde speaks	<b>23</b> Thu  AM: Manufacturing & services PMI	<b>24</b> Fri
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## USD

<b>20</b> Monday	<b>21</b> Tue  PM: Retail sales Fed chair designate Warsh testifies	<b>22</b> Wed	<b>23</b> Thu  PM: Unemployment claims Manufacturing & Services PMI	<b>24</b> Fri
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