



# EUR/USD

Weekly FX Report

## Fundamental Analysis

### Recent developments

EUR/USD consolidated last week with a modest downside bias as the dollar continued to recoup much of its recent precipitous drop. The ECB meeting fell completely in line with expectations, with a unanimous vote to leave rates unchanged. Lagarde noted the resilience of the economy and that past rates cuts were underpinning the economy. Data releases are heavily skewed stateside this week, with retail sales, Non-Fram payrolls and US inflation data all ready to maintain a dynamic environment for the dollar.



**‘ECB sanguine about recent EURUSD gains’**

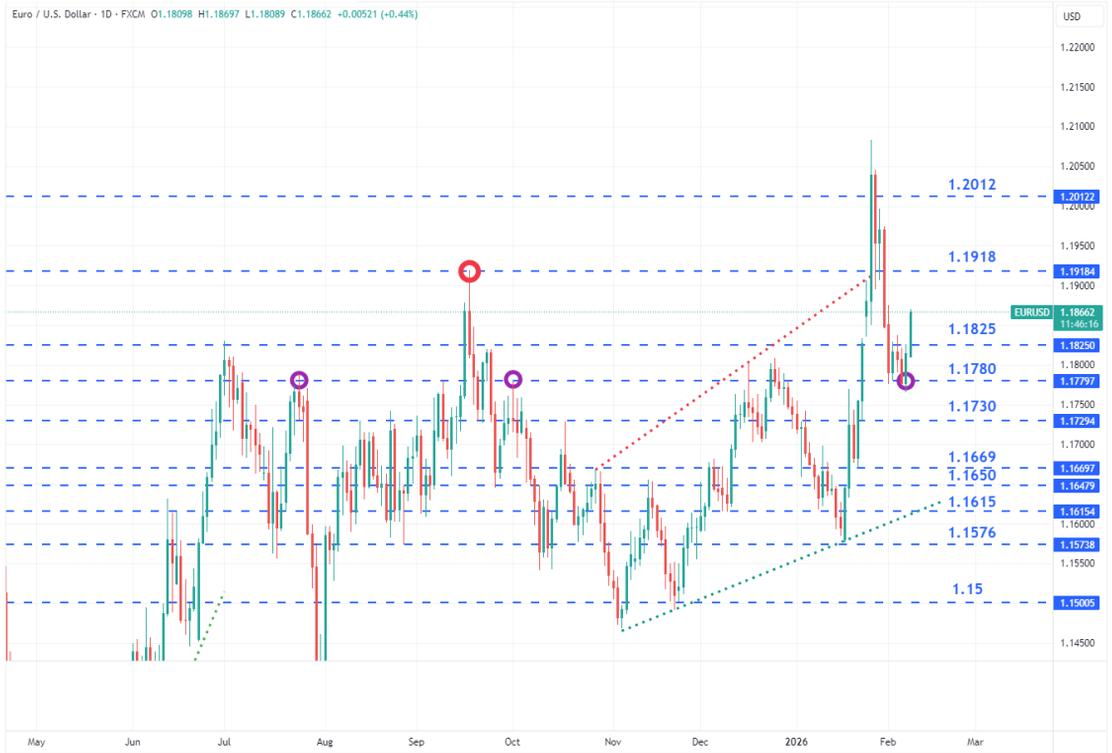
A big point of interest going into the ECB meeting was whether the recent strength of the euro would be discussed (and whether this may trigger action to weaken it). Lagarde did discuss this – stating that they are monitoring exchange rates, but that the Governing council concluded EUR/USD is in line with long term averages (suggesting no panic or inclination to act to suppress euro upside). Supportive euro factors remain in-tact, but price action will be almost entirely driven by dollar dynamics this week, given the slew of US economic data inbound.

### Dollar looks to key data releases for direction

Positioning amongst speculators became very short on the dollar during the recent slump, driven by several factors including the dollar debasement theme, lack of confidence in US policy, attacks on Federal reserve independence, Trump advocacy of dollar weakness and so on. Such large positions become at risk of being squeezed (where speculators must buy the dollar to cover their shorts) and this remains a dynamic to be cognizant of this week, depending on what befalls the dollar this week. The recent government shutdown served to delay the release of last weeks’ Non-Farm payrolls (NFP) and inflation data. After recent data has shown weakness in the US labour market, Wednesday’s NFP is expected to show 70k jobs added last month. A print below this could allow markets to lean towards more than two cuts this year and keep the dollar under pressure, and vice versa. Inflation is expected to fall slightly to 2.5% from 2.7%.

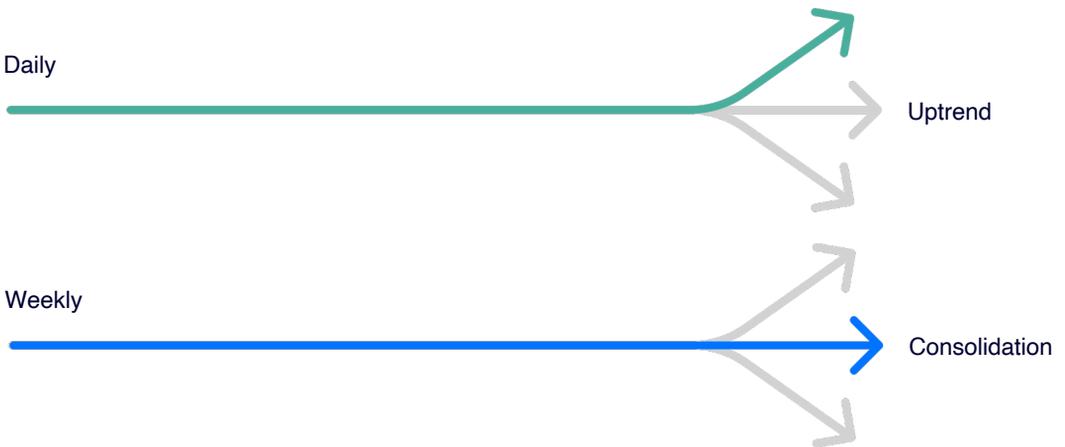
# EUR/USD Daily Chart

IFX Payments created with TradingView.com, Feb 09, 2026 10:13 UTC



TradingView

## Market Condition



## Technical Analysis

EUR/USD has seen corrective price action since becoming technically 'overbought' two weeks ago but the uptrend market condition remains intact. The long standing 1.1780 support level held last week, and sets up a potential re-test of the 1.1918 contingent on the market response to the US economic data schedule this week. We continue to see 1.2012 and the recent momentum high of 1.2082 as upside technical resistances over the medium term, and it would likely take very poor US data to allow the market to settle above these levels. Retracements may continue to find technical support at 1.1780 / 1.1730 if tested this week.

### 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 last week 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

<b>09</b> Monday  AM: Nagel speaks	<b>10</b> Tue	<b>11</b> Wed	<b>12</b> Thu	<b>13</b> Fri  AM: Employment change q/q
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## USD

<b>09</b> Monday  PM: Various Fed speakers	<b>10</b> Tue  PM: Retail sales	<b>11</b> Wed  PM: Non- Farm Payrolls	<b>12</b> Thu  PM: Unemployment claims	<b>13</b> Fri  PM: CPI (inflation)
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