



EUR/USD

Weekly FX Report

Fundamental Analysis

Recent developments

EUR/USD traded heavy through the week, driven by dollar strength as markets responded to the Iran conflict in a more meaningful way. The spike in Oil to >\$100/Barrel is forcing markets to re-assess rate policy expectations away from cuts and raise the question of hikes. Concurrent deleterious effects on growth raises the likelihood of Stagflation. EUR/USD will continue to be dominated by war developments, perceptions around conflict duration, oil prices and bouts of risk on/risk off. US CPI (inflation) is inbound on Wednesday, and whilst important, it will not include much of the very recent spike in energy prices.



**‘A EURUSD recovery
may require a sell off
in Oil prices’**

It is interesting how EUR/USD has not traded much weaker to begin the week despite further moves higher in Oil. This is due to hopes that more oil supply will come downstream. G7 finance ministers are staging a call today to address this. EURUSD will remain jumpy and responsive to headlines around these developments. The ECB meet on March 19th. They are very likely to remain on hold, but second round inflation concerns may also introduce the discussion of rate hikes. Moves in Oil and equities will help drive the dollar this week, which will dominate EUR/USD price action.

Geo-political developments drive safe-haven inflows

Just a week ago, the relatively subdued market response to the Iran war clearly suggested the market thought this would be a short, sharp conflict. This perception has changed somewhat, with equity volatility increasing, and the restrictions through the Strait of Hormuz bringing a spike to Oil to test just shy of \$120/Barrel. This is now driving market risk appetite, safe-haven flows, rate policy assumptions, and re-igniting stagflation concerns. The dollar is supported in this environment, but FX volatility has not responded as much as equity and energy market ‘vol’. It seems the dollar is caught between some safe-haven/inflationary support, and the negative impact of lower growth and concern over US policy. as seen in previous bouts of “sell America” market sentiment. In general though, it is hard to envisage much dollar weakness under current market dynamics. A weak Non-Farm payroll number last Friday elicited some dollar weakness but plays second fiddle to war related themes. Wednesday’s CPI (inflation) this week will not include the very recent energy price rally and is thus less impactful than usual.

EUR/USD Daily Chart

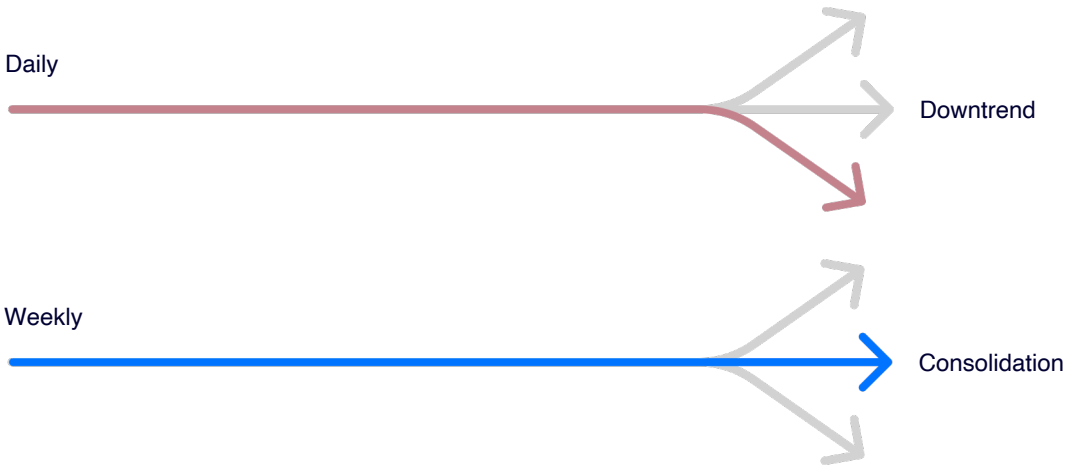
IFX Payments created with TradingView.com, Mar 09, 2026 09:59 UTC

Euro / U.S. Dollar - 1D - FXCM O1.15449 H1.15730 L1.15072 C1.15537 -0.00620 (-0.53%)



TradingView

Market Condition



Technical Analysis

EUR/USD is now in a downtrend on the daily timeframe. As such, rallies are expected to fail on a test of the upper trendline resistance which sits up at the 1.17 level. We said last week that “should we see a more significant dollar rally, a move to major support at 1.1573 is plausible”. We did see such a move, and indeed price action has almost tested the big 1.15 level today. A breakdown through 1.15 would be bearish and would open the door to a move to 1.1390 *if we see further USD strength*. A sell off in Oil, could facilitate a bounce in EUR/USD, with the first upside objective being a move to 1.1669.

Upside

1.1576

—
The first upside resistance as seen so far today.

1.1669

—
A more meaningful bounce likely to find resistance here.

1.1730

—
A rally through here would signify a major change to recent market fundamentals.

Downside

1.15

—
This is the nearest technical support below spot price action.

1.1482

—
November 2025 low could provide some technical support.

1.1390

—
A break down through here is very bearish.

Looking Ahead

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

EUR

<p>09 Monday</p> <p>AM: German Industrial production</p>	<p>10 Tue</p> <p>AM: German trade balance</p>	<p>11 Wed</p>	<p>12 Thu</p>	<p>13 Fri</p>
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USD

<p>09 Monday</p>	<p>10 Tue</p>	<p>11 Wed</p> <p>PM: CPI m/m CPI y/y</p>	<p>12 Thu</p> <p>PM: Unemployment claims</p>	<p>13 Fri</p> <p>PM: Core PCE price index</p> <p>Prelim GDP q/q</p>
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