

# EURUSD – 08/12/2025

December 5, 2025  
[Daily Fib, EURUSD](#)

## Fundamental / Economic Backdrop (short term)

Key macroeconomic influences shaping EUR/USD in the immediate term:

- **US dollar dynamics** remain driven primarily by expectations surrounding Federal Reserve policy. Markets continue to price in a softening rate environment into 2026, which limits sustained USD strength unless inflation or labour data surprise to the upside.
- **Eurozone macro conditions** remain fragile but stabilising. Growth remains subdued yet recession fears have eased, reducing downside pressure on the euro relative to prior months.
- **Interest-rate differentials** remain the dominant structural driver. With US yields easing faster than European yields, the differential bias marginally favours EUR in the short term.
- **Risk sentiment** continues to influence EUR/USD as a pro-cyclical flow currency. Risk-on conditions favour EUR upside; any resurgence of geopolitical or financial stress would likely support USD demand.

## Fundamental / Economic verdict

The short-term fundamental backdrop is **mildly supportive for EUR/USD**, driven by soft USD yield pressure and relative eurozone stabilisation. However, the outlook remains **fragile and data-dependent**, with USD strength capable of returning quickly on any upside surprise in US macro releases.

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## Technical and Market Sentiment (short term)

EUR/USD remains in a **well-defined consolidation structure** following its prior recovery phase. Volatility is moderate and sentiment remains neutral-to-slightly bullish.

### Key Support & Resistance Zones (Indicative)

- Primary support:
  - **1.0810 – 1.0840** (structural base / buyer defence zone)
- Secondary support:
  - **1.0750 – 1.0780** (range failure area)
- Primary resistance:
  - **1.0930 – 1.0960** (recent swing highs)
- Upside breakout trigger:
  - **1.0985 – 1.1020**

### Market Structure & Sentiment Observations

- Price action continues to rotate between support and resistance without sustained directional follow-through.
- Momentum indicators reflect **compression rather than expansion**, consistent with a coiling market awaiting a catalyst.
- Sentiment remains **cautiously constructive**, but there is limited commitment to aggressive trend positioning at present.

## Technical verdict

EUR/USD is in a **range-bound consolidation** with a slight **bullish tilt**. As long as **1.0810–1.0840** holds, upside tests toward resistance remain technically valid. A clean break above **1.0985–1.1020** would shift the structure into bullish continuation. A loss of **1.0750** would invalidate the recovery structure.

## Strategy (short term)

### Intraday / Early-Week (Monday 8 Dec 2025) – Setup and Trade Ideas

Scenario	Trigger / Context	Trade Setup
<b>Range-bounce (base case)</b>	Quiet macro session, stable yields	<ul style="list-style-type: none"><li>Buy near <b>1.0820–1.0840</b> → Target <b>1.0910–1.0940</b>, Stop below <b>1.0780</b></li><li>Sell near <b>1.0940–1.0960</b> → Target <b>1.0860–1.0830</b>, Stop above <b>1.1000</b></li></ul>
<b>Upside breakout</b>	USD softens, positive risk sentiment	<ul style="list-style-type: none"><li>Buy break above <b>1.0990–1.1010</b> → Target <b>1.1080–1.1120</b>, Stop below <b>1.0940</b></li></ul>
<b>Downside breakdown</b>	USD strength, risk-off conditions	<ul style="list-style-type: none"><li>Sell break below <b>1.0780–1.0750</b> → Target <b>1.0680–1.0620</b>, Stop above <b>1.0835</b></li></ul>

#### Key intraday reference zones:

- Support: **1.0810–1.0840**
- Resistance: **1.0930–1.0960**

## Base Case & Risk-Managed Outlook

- Expected behaviour over the next several sessions: **sideways to mildly bullish within 1.0810–1.0960**.
- Preferred strategy: **range-trading** with disciplined stop-loss control.
- Directional exposure should remain **light** until a confirmed breakout or macro catalyst emerges.
- Risk must be tightly managed around high-impact US or Eurozone data releases.

## 5 Day Outlook Scenarios

Scenario	Approx. Probability	Expected 5-Day Range	Key Drivers
<b>Base – Consolidation</b>	~50%	<b>1.0780 – 1.0980</b>	Mixed macro signals, yield compression, balanced flows
<b>Bullish Breakout</b>	~25%	<b>1.0980 – 1.1120</b>	Sustained USD weakness, risk-on sentiment, euro data upside
<b>Bearish Pullback</b>	~25%	<b>1.0620 – 1.0780</b>	USD rebound, risk-off shocks, negative eurozone data

## Summary

EUR/USD enters Monday 8 December 2025 in a **technically compressed and fundamentally fragile equilibrium**. The underlying bias is **slightly constructive for EUR**, but the pair remains **highly sensitive to USD yield movements and global risk sentiment**.

From a trading perspective, **range-based execution with strict risk control** remains the highest-probability strategy until a decisive breakout or breakdown structurally resets the trend.



# ***The Daily Fib***

**Daily Fibs for the FX Market**