

EURJPY – 09/12/2025

December 8, 2025

[Daily Fib, EURJPY](#)

Fundamental / Economic Backdrop (short term)

Key macro and economic factors influencing EUR/JPY in the near term:

- **Eurozone (EUR):**
The euro remains sensitive to subdued growth conditions, inflation trends, and expectations around European Central Bank (ECB) policy. While disinflation has eased pressure for further tightening, the macro outlook remains fragile, limiting aggressive EUR upside without supportive data.
- **Japan (JPY):**
The yen remains highly responsive to Bank of Japan (BoJ) guidance, yield differentials, and global risk sentiment. Even modest shifts in yield policy expectations or rising safe-haven flows can strengthen JPY rapidly.
- **Global risk sentiment:**
EUR/JPY remains strongly correlated with risk appetite. Risk-on conditions tend to favour EUR via carry flows, while risk-off environments generally strengthen JPY and pressure the pair.
- **Yield differentials:**
With European yields stabilising and Japanese yields still comparatively low, yield spreads still broadly favour EUR — but this advantage has narrowed, reducing upside momentum.

Fundamental / Economic verdict

The near-term fundamental backdrop for EUR/JPY is **neutral to mildly supportive**, but lacks a strong directional driver. Yield differentials still modestly favour EUR, while persistent JPY safe-haven sensitivity limits sustained upside. This favours **range-bound behaviour with event-driven volatility**.

Technical and Market Sentiment (short term)

EUR/JPY is currently exhibiting **consolidative price behaviour**, with clearly defined short-term support and resistance.

Key Support & Resistance Levels (based on current structure):

Type	Level Zone
Primary support	180.20 – 180.60
Secondary support	178.80 – 179.30
Near-term resistance	182.80 – 183.40
Upside breakout zone	185.00 – 186.00

Market sentiment observations:

- Price action indicates **indecision and compression**, suggesting a build-up to a directional move rather than trend continuation.
- Momentum indicators on short timeframes remain **flat to mildly positive**, consistent with consolidation.
- Volatility has moderated compared with prior sessions, reinforcing the probability of **range trading until a catalyst emerges**.

Technical verdict

EUR/JPY is in a **range-bound consolidation phase** between roughly **180.20 and 183.40**. A sustained break outside this envelope is required to establish fresh directional bias. Until then, the technical bias remains **neutral with tactical intraday opportunities**.

Strategy (short term)

Intraday / Early Week (Tuesday 9 Dec 2025) – Setup and Trade Ideas

Scenario	Market Condition	Trade Structure
Range-bounce (base case)	Calm macro backdrop, no major risk event	<ul style="list-style-type: none">• Buy near support: 180.30–180.70 → Target: 182.20–182.80 → Stop: below 179.70• Sell near resistance: 182.90–183.40 → Target: 181.00–180.50 → Stop: above 184.10
Upside breakout	Risk-on flows, EUR strength or JPY softness	<ul style="list-style-type: none">• Buy on break: above 183.60 → Target: 185.00–186.00 → Stop: below 182.20
Downside breakdown	Risk-off, JPY safe-haven demand	<ul style="list-style-type: none">• Sell on break: below 180.00 → Target: 178.90–178.20 → Stop: above 181.40

Key intraday reference zones:

- Support: **180.20–180.60**
- Resistance: **182.80–183.40**

Base Case & Risk-Managed Outlook

- Expected behaviour over the next few sessions: **sideways to mildly volatile trading within 180.20–183.40.**
- Preferred approach: **range-based trading strategies** rather than breakout chasing.
- Risk control:
 - Conservative position sizing
 - Clear stop-loss placement
 - Reduced exposure around macro data or BoJ/ECB-linked headlines

5 Day Outlook Scenarios

Scenario	Probability (Indicative)	Expected 5-Day Range	Primary Drivers
Base – Consolidation	~50%	180.00 – 183.50	Balanced yields, neutral risk sentiment
Bullish Breakout	~25%	183.50 – 186.00	Risk-on environment, euro demand, JPY softness
Bearish Breakdown	~25%	177.80 – 180.00	Risk-off, JPY safe-haven flows, weaker EUR data

Summary Outlook

EUR/JPY is currently positioned in a **neutral consolidation zone**, supported by stable yield spreads but capped by ongoing JPY safe-haven sensitivity. Fundamentals do not presently justify a strong trend bias, while technically the pair is compressed between well-defined support and resistance.

For Tuesday and the rest of the week, **range-based tactical trading** remains the most appropriate strategy unless macro or central-bank-driven catalysts produce a confirmed breakout or breakdown.



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