

EURJPY 10/12/2025

December 9, 2025
[Daily Fib, EURJPY](#)

Fundamental / Economic Backdrop (short term)

- The euro remains primarily driven by **ECB rate-path expectations**, euro-area inflation persistence and uneven regional growth. Recent data consistency supports rate-cut delays rather than acceleration, lending mild structural support to the EUR in the short term.
- The Japanese yen remains dictated by **global risk sentiment and BoJ policy signalling**. Although policy normalisation remains gradual, the JPY continues to strengthen intermittently during equity pullbacks and global risk-off phases.
- **Equity market direction** and **global bond yield movement** remain the dominant short-term drivers for EUR/JPY due to its strong carry-trade nature.
- Any renewed **geopolitical stress, equity correction, or sharp yield compression** favours JPY over EUR. Conversely, stable global growth expectations and firm equity markets continue to support EUR/JPY upside through carry inflows.

Fundamental / Economic verdict

The near-term EUR/JPY fundamental backdrop is **balanced with a mild upside bias**, conditional on **stable global risk sentiment**. Structural downside risk persists via the JPY's safe-haven profile if global volatility re-emerges.

Technical and Market Sentiment (short term)

Current structure reflects **consolidation after prior bullish extension**, with price holding above medium-term support but capped below the recent supply region.

Key Support & Resistance (validated against ~162.20 reference)

Type	Level Zone	Structural Significance
Resistance (R2)	163.80 – 164.20	Prior rejection / upper supply
Resistance (R1)	162.90 – 163.20	Intraday supply / range cap
Pivot Zone	161.90 – 162.20	Current price equilibrium
Support (S1)	160.80 – 161.10	Prior breakout base
Support (S2)	159.60 – 160.00	Range floor / bullish invalidation zone

Momentum & Sentiment Observations

- Short-term momentum is **neutral to mildly positive**, not extended.
- Volatility remains **moderate**, consistent with range conditions.
- No structural trend break is present while price holds above **160.00**.

Technical verdict

EUR/JPY remains in a **bullish-tilted consolidation** between **160.80 and 163.20**. Directional continuation requires a **confirmed break above 163.20**, while structural weakness only emerges below **159.60**.

Strategy (short term)

Intraday / Early-Week (Wednesday 10 December 2025) – Setup and Trade Ideas

Scenario	Trigger Conditions	Trade Framework
Range Rotation (Base Case)	Price holds between 160.80–163.20	Buy 160.90–161.20 → Target 162.40–162.90 → Stop <160.20 Sell 162.90–163.20 → Target 161.30–160.90 → Stop >163.80
Bullish Breakout	Clean break & H1 close above 163.20	Buy 163.30–163.50 → Target 164.80–165.40 → Stop <162.50
Bearish Breakdown	Risk-off move below 160.00	Sell 159.90–159.60 → Target 158.40–157.80 → Stop >160.90

Base Case & Risk-Managed Outlook

- Primary expectation: **controlled range trading** between **160.80–163.20**.
- Bias remains **tactically neutral-to-bullish** while above **160.00**.
- Risk management remains essential due to EUR/JPY's **high volatility profile** during equity shocks.

5 Day Outlook Scenarios

Scenario	Probability	Expected 5-Day Range	Market Drivers
Base – Consolidation	~50%	160.80 – 163.20	Stable equity markets, neutral macro
Bullish Expansion	~30%	163.20 – 165.80	Risk-on flows, equity continuation
Bearish Risk-Off Rotation	~20%	157.80 – 160.00	Equity correction, JPY safe-haven demand

Final Technical–Macro Synthesis

EUR/JPY currently reflects **carry-trade stability with compressed volatility**. The technical structure supports **continuation within a rising corrective channel**, but the macro risk profile prevents aggressive directional exposure. **Range-based trading remains optimal** until a structural break occurs above **163.20** or below **160.00**.



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