

# USDJPY 11/12/2025

December 10, 2025

[Daily Fib,USDJPY](#)

## Fundamental / Economic Backdrop (short term)

Key macroeconomic factors currently influencing USD/JPY:

- **Federal Reserve policy expectations:** Markets continue to price in a gradual easing bias for 2026, but near-term US yield levels remain elevated. This supports the US dollar structurally, but limits aggressive upside unless fresh inflation or growth surprises emerge.
- **Bank of Japan positioning:** The BoJ is still maintaining an ultra-loose monetary stance relative to global peers, though verbal guidance around policy normalisation continues to generate intermittent JPY volatility.
- **Yield differentials:** The US–Japan yield spread remains wide, structurally favouring USD/JPY on a medium-term basis. However, the spread has stabilised in recent sessions, reducing immediate trend acceleration.
- **Risk sentiment:** Global equity market tone remains mixed. Periodic risk-off pulses continue to support the yen on short-term pullbacks, limiting one-directional USD/JPY momentum.
- **Energy and import dynamics:** Japan remains structurally sensitive to energy prices. Stable energy pricing currently limits heavy yen outflows, contributing to short-term consolidation.

## Fundamental / Economic verdict

The **fundamental bias remains mildly bullish for USD/JPY**, supported by yield differentials and relative monetary-policy divergence. However, **Japanese safe-haven demand and policy uncertainty continue to cap upside extension**, favouring **controlled range behaviour rather than impulsive trend expansion** in the immediate term.

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## Technical and Market Sentiment (short term)

Reference spot price: 156.44

Recent price action indicates USD/JPY is consolidating just below recent highs after a prior impulsive rally. Momentum indicators have neutralised from overbought conditions, reinforcing a **range-compression phase**.

## Support & Resistance Structure

Level Type	Price Zone	Technical Significance
Resistance R1	157.20 – 157.60	Recent supply zone / intraday failure area
Resistance R2	158.40 – 158.80	Bullish extension target if breakout develops
Immediate Support S1	155.60 – 155.90	Key intraday demand / structure support
Secondary Support S2	154.70 – 155.10	Prior breakout base
Structural Support S3	153.20 – 153.60	Medium-term trend defence

Market sentiment characteristics:

- Short-term order flow shows **balanced positioning**, with neither bulls nor bears in full control.
- Volatility has compressed relative to earlier sessions, favouring **mean-reversion strategies**.
- Trend structure remains bullish above 154.70, but **upside momentum currently lacks acceleration**.

Technical verdict

USD/JPY is in a **bullish consolidation phase** between **155.60 and 157.60**. Trend structure remains positive, but **near-term upside is capped unless 157.60 breaks with volume**. Below 155.60, downside extensions toward 154.70 become technically valid.

Strategy (short term)

Intraday / Early-Week (Thursday, 11 Dec 2025) – Setup and Trade Ideas

Scenario	Activation Condition	Strategy Logic
Range-bounce (primary)	Price holds between 155.60–157.60	Buy support / fade resistance
Bullish breakout	Sustained break above 157.60	Trend-continuation long
Bearish breakdown	Clean break below 155.60	Corrective short toward deeper support

Indicative intraday trade framework

Direction	Entry Zone	Target Zone	Invalidation
Long (range)	155.70 – 155.95	156.90 – 157.40	Below 155.30
Short (range)	157.20 – 157.55	156.20 – 155.90	Above 157.90
Breakout Long	Above 157.70	158.40 – 158.90	Below 157.10
Breakdown Short	Below 155.50	154.70 – 154.20	Above 156.10

Base Case & Risk-Managed Outlook

- The **dominant expectation for the next 24–48 hours is range continuation** between **155.60 and 157.60**.
- Trend bias remains **structurally bullish**, but momentum is currently **non-impulsive**.
- Optimal risk framework favours:
  - Buying confirmed support reactions
  - Selling confirmed resistance failures
  - Avoiding mid-range execution
- Position sizing should remain moderate due to compression volatility risk.

3 Day Outlook Scenarios

Scenario	Probability	Expected Range	Market Drivers
Base – Range Consolidation	~55%	155.60 – 157.80	Yield stability, neutral risk sentiment
Bullish Continuation	~30%	157.80 – 159.10	Strong US data, renewed yield expansion
Corrective Pullback	~15%	153.20 – 155.60	Risk-off flows, BoJ-related yen strength

Summary

- **Trend Bias:** Mildly bullish
- **Current Regime:** Consolidation under recent highs
- **Key Decision Levels:** 155.60 support / 157.60 resistance
- **Execution Style Favoured:** Range-trading with breakout validation

- **Volatility Expectation:** Moderate with expansion risk upon data or risk sentiment shift



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