

USDJPY 12/12/2025

December 11, 2025

[Daily Fib, USDJPY](#)

Fundamental / Economic Backdrop (short term)

USDJPY at **155.46** trades in an environment shaped by diverging monetary policies and shifting risk sentiment.

The **United States** continues to show moderating inflation alongside stable labour-market conditions. Markets expect the Federal Reserve to maintain a cautious stance, keeping rates elevated for longer but signalling an easing cycle for 2026. This tempers USD strength slightly, yet high relative US yields still provide underlying support.

The **Bank of Japan** remains in a slow-normalisation phase. Although modest tightening steps have been taken, policy remains far more accommodative than that of the Federal Reserve. Yen weakness persists due to negative real yields, ongoing capital outflows and limited immediate intervention threats.

Risk sentiment is neutral-to-positive, with reduced volatility across global markets. In such conditions, USDJPY often drifts higher as carry flow supports USD over JPY.

Fundamental / Economic verdict

Short-term bias remains **mildly USD-favourable**, anchored by yield differentials and subdued JPY demand. No strong macro catalyst is in play, suggesting a controlled, range-bound structure with upside lean unless risk aversion emerges.

Technical and Market Sentiment (short term)

USDJPY shows a stable upward bias, although momentum has softened slightly near the 155 handle.

Key support levels:

- **154.60 – 154.80**: Minor intraday support / prior reaction zone
- **153.90 – 154.10**: Stronger structural support
- **152.80**: Deeper pullback level if volatility increases

Key resistance levels:

- **155.80 – 156.00**: Immediate resistance, tested several times
- **156.40 – 156.60**: Upper short-term resistance band
- **157.20**: Breakout extension zone if momentum accelerates

Market positioning remains balanced, with neither bulls nor bears showing strong conviction. Intraday sentiment shifts around US yield movements remain decisive.

Technical verdict

Price action reflects a **controlled upward channel**, with buyers defending dips but resistance holding firm. A breakout above 156.00 is required to re-ignite upward momentum, while a drop below 154.60 would signal short-term corrective pressure.

Strategy (short term)

Intraday / Friday 12 December 2025 – Setup and Trade Ideas

Scenario	Price Trigger	Potential Action	Notes
Range continuation (primary case)	Holds between 154.80 and 155.80	Buy dips near 154.80–155.00 targeting 155.80 , stop below 154.60	Best risk-reward in current conditions
Bullish breakout	Break and hold above 156.00	Buy breakout targeting 156.40–156.60 , stop near 155.60	Requires yield-driven USD support
Bearish correction	Break below 154.60	Sell pullback targeting 154.10 , stop above 154.90	Valid only if risk sentiment turns negative

Base Case & Risk-Managed Outlook

The base expectation is for **sideways-to-slightly-higher trade**, anchored between **154.80 and 156.00**.

Carry flows support dips, but resistance remains firm without a strong USD catalyst.

Risk management should assume rapid intraday whipsaw in reaction to US Treasury movements.

1-Day Outlook Scenarios

Scenario	Probability	Expected Range	Commentary
Base – Range-bound with slight upside bias	~60%	154.80 – 155.90	Market stable; USD yield support persists
Bullish breakout attempt	~25%	155.90 – 156.60	Requires strong US yields or soft JPY sentiment
Bearish intraday correction	~15%	154.10 – 154.80	Would follow risk-off tone or unexpected USD softness

Summary

The fundamental backdrop favours the **USD over JPY**, though without strong momentum drivers.

Technically, USDJPY trades in a **controlled upward channel with firm support and layered resistance**, encouraging range-trading strategies unless 156.00 is broken.

Combining both verdicts:

- Expect **stable, range-bound conditions** with a mild upside tilt.
- Best opportunities likely arise from **dip-buying near support**, with breakout-trading reserved for confirmed moves above key resistance.



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