

EURGBP 17/12/2025

December 16, 2025
[Daily Fib, EURGBP](#)

Fundamental / Economic Backdrop (short term)

Short-term drivers for EURGBP remain centred on relative monetary policy expectations and near-term macro data surprises rather than structural shifts.

The euro remains influenced by a cautious ECB stance, with policy signalling still data-dependent amid mixed inflation persistence across the bloc. Recent euro area activity indicators suggest modest growth but limited upside momentum, keeping expectations anchored for a prolonged restrictive stance rather than imminent easing.

Sterling dynamics continue to reflect a relatively firmer domestic inflation backdrop and wage resilience, which maintains a marginally more restrictive bias from the Bank of England compared with the ECB. However, slowing UK growth indicators and sensitivity to global risk sentiment cap sustained GBP strength.

Overall, the macro balance remains finely poised, with EURGBP primarily reacting to relative rate expectations and risk appetite shifts rather than directional macro conviction.

Fundamental / Economic verdict

The short-term fundamental backdrop remains neutral to mildly GBP-supportive. Absent major data surprises, EURGBP is likely to remain range-bound with modest downside pressure rather than trending aggressively.

Technical and Market Sentiment (short term)

EURGBP is trading near 0.8762, consolidating within a well-defined short-term range.

Key technical observations include:

- Price remains capped below recent swing highs, indicating limited bullish follow-through.
- Momentum indicators are broadly neutral, reflecting consolidation rather than trend continuation.
- Volatility has compressed, increasing the probability of range-based intraday moves.

Key levels to monitor:

Type	Level	Area	Technical Significance
Resistance	0.8800		Psychological level / prior rejection
Resistance	0.8835		Range high / short-term supply
Support	0.8730		Near-term demand / intraday base
Support	0.8705		Range low / downside extension trigger

A sustained break outside this range would be required to establish directional bias.

Technical verdict

The technical structure favours continued consolidation. Bias remains neutral to mildly bearish below 0.8800, with support levels likely to be tested before any sustained upside develops.

Strategy (short term)

Intraday / Wednesday, December 17, 2025 – Setup and Trade Ideas

Scenario	Bias	Entry Zone	Target Zone	Risk Consideration
Range sell	Bearish	0.8790–0.8800	0.8745–0.8730	Invalidation above 0.8835
Range buy	Bullish	0.8730–0.8715	0.8780–0.8790	Invalidation below 0.8700

Intraday strategies favour fading extremes rather than chasing breakouts, given subdued momentum.

Base Case & Risk Managed Outlook

The base case remains for EURGBP to oscillate within the established 0.8700–0.8835 range. Risk management should account for potential volatility spikes around UK or euro area data releases, which could trigger false breakouts before reversion.

Position sizing should remain conservative while price remains within the broader consolidation structure.

3 Day Outlook Scenarios

Scenario	Probability	Description
Range continuation	Higher	Price holds between 0.8700 and 0.8835 with mean-reversion behaviour
Bearish extension	Moderate	Break below 0.8700 opens scope towards 0.8660–0.8680
Bullish breakout	Lower	Sustained move above 0.8835 targets 0.8880–0.8900

Summary

Fundamentally, EURGBP remains driven by marginal policy divergence, with a slight near-term bias favouring sterling but no strong directional catalyst. Technically, price action is consolidative, with clearly defined support and resistance zones guiding short-term trade decisions. The preferred approach over the next three days is range-based trading, with increased caution around any attempted breakout until confirmed by momentum and follow-through.

EURGBP Chart



Economic News relating to EURGBP



December 17

07:00	Core CPI MM ~		
		Forecast: 0.1%	Prior: 0.3%
07:00	Core CPI YY ~		
		Forecast: 3.4%	Prior: 3.4%
07:00	CPI MM ~		
		Forecast: 0%	Prior: 0.4%
07:00	CPI YY ~		
		Forecast: 3.5%	Prior: 3.6%
07:00	RPI MM* ~		
		Forecast: 0%	Prior: 0.3%
07:00	RPI YY* ~		
		Forecast: 4.2%	Prior: 4.3%
10:00	HICP Final MM * ~		
		Forecast: -0.3%	Prior: 0.2%
10:00	HICP Final YY * ~		
		Forecast: 2.2%	Prior: 2.1%

December 18

12:00	BOE Bank Rate ~		
		Forecast: 3.75%	Prior: 4%
12:00	BOE MPC Vote Cut ~		
		Forecast: 5 Number of	Prior: 4 Number of
12:00	BOE MPC Vote Hike ~		

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The Daily Fib

Daily Fibs for the FX Market

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