

GBPUSD 18/12/2025

December 17, 2025

[Daily Fib, GBPUSD](#)

Fundamental / Economic Backdrop (short term)

Sterling remains primarily driven by relative monetary policy expectations between the Bank of England and the Federal Reserve. Recent UK data continues to point towards moderating inflation pressures alongside resilient but slowing growth, reinforcing expectations that the BoE remains near the peak of its tightening cycle. In contrast, the Federal Reserve maintains a relatively restrictive stance, but markets are increasingly sensitive to signs of US economic deceleration and the timing of eventual rate cuts.

Short-term GBPUSD flows are therefore influenced by marginal shifts in yield differentials and risk sentiment rather than clear macro divergence. Into the end of the week, reduced liquidity and positioning ahead of upcoming US data releases may amplify intraday volatility without materially altering the broader narrative.

Fundamental / Economic verdict

The short-term fundamental backdrop is neutral to mildly supportive for GBPUSD, with limited directional conviction. Relative rate expectations are broadly balanced, favouring range-bound behaviour unless prompted by US data surprises or shifts in risk appetite.

Technical and Market Sentiment (short term)

GBPUSD is trading within a well-defined short-term consolidation range following the recent advance. Momentum indicators on the intraday timeframes are flattening, suggesting consolidation rather than trend continuation.

Key technical levels

Type	Level
Resistance	1.3425
Resistance	1.3480
Pivot / VWAP zone	1.3370 – 1.3390
Support	1.3320
Support	1.3265

Price action remains above medium-term moving averages, maintaining a constructive technical bias, but repeated failures near the upper resistance band indicate supply interest into rallies.

Technical verdict

The technical structure favours a neutral-to-bullish bias while above 1.3320, though upside momentum appears capped in the near term. A sustained break above 1.3425 would be required to reassert bullish continuation.

Strategy (short term)

Intraday / Thursday, December 18, 2025 – Setup and Trade Ideas

Scenario	Bias	Entry Zone	Initial Target	Invalidation
Range support buy	Long	1.3320 – 1.3340	1.3390 / 1.3425	Below 1.3265
Range resistance sell	Short	1.3420 – 1.3450	1.3360	Above 1.3480
Breakout continuation	Long	Above 1.3480 (retest)	1.3540	Back below 1.3420

Intraday strategies favour fade trades at the extremes of the range while price remains contained.

Base Case & Risk Managed Outlook

The base case anticipates continued consolidation between 1.3320 and 1.3425. Position sizing should account for thinner liquidity and the potential for sharp but short-lived volatility spikes. Directional exposure should remain tactical rather than trend-following until a clear breakout occurs.

2 Day Outlook Scenarios

Scenario	Probability	Description
Range continuation	High	Price oscillates between established support and resistance
Bullish breakout	Medium	Break above 1.3480 on supportive US data or softer USD
Bearish retracement	Low–Medium	Breakdown below 1.3265 on risk-off or USD strength

Summary

The fundamental backdrop suggests limited short-term directional drivers, reinforcing a neutral bias for GBPUSD. Technically, the pair remains supported above key levels but lacks immediate momentum for sustained upside. The preferred approach over the next two sessions is range-based trading, with close attention paid to any breakout signals beyond 1.3425 or below 1.3320 that could redefine short-term direction.



















GBPUSD Chart



Economic News relating to GBPUSD



December 18

12:00	BOE Bank Rate ▼		
 		Forecast: 3.75%	Prior: 4%
12:00	BOE MPC Vote Cut ▼		
 		Forecast: 5Number of	Prior: 4Number of
12:00	BOE MPC Vote Hike ▼		
 		Forecast: 0Number of	Prior: 0Number of
12:00	BOE MPC Vote Unchanged ▼		
 		Forecast: 4Number of	Prior: 5Number of
13:30	Core CPI MM, SA ▼		
 		Forecast: 0.3%	
13:30	Core CPI YY, NSA ▼		
 		Forecast: 3%	
13:30	CPI MM, SA ▼		
 		Forecast: 0.3%	
13:30	CPI YY, NSA ▼		
 		Forecast: 3.1%	
13:30	Initial Jobless Clm * ▼		
 		Forecast: 225 KPerson	Prior: 236 KPerson

December 19

15:00	Existing Home Sales ▼		
 		Forecast: 4.15 MNumber of	Prior: 4.1 MNumber of

December 22

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The Daily Fib

Daily Fibs for the FX Market

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