

USDJPY 18/12/2025

December 17, 2025

[Daily Fib, USDJPY](#)

Fundamental / Economic Backdrop (short term)

Short-term fundamentals continue to be dominated by the US–Japan monetary policy divergence. US yields remain elevated, supported by resilient US data and a Federal Reserve stance that remains cautious on easing. In contrast, the Bank of Japan continues to signal gradual normalisation, but without urgency, keeping Japanese real yields deeply negative.

Risk sentiment is moderately constructive, which limits safe-haven JPY demand. However, growing sensitivity around elevated USDJPY levels means verbal intervention risk from Japanese officials remains a background consideration, particularly on sharp upside extensions.

Fundamental / Economic verdict

The fundamental backdrop remains modestly supportive of USDJPY strength in the near term, but upside momentum is increasingly conditional and vulnerable to yield pullbacks or intervention rhetoric.

Technical and Market Sentiment (short term)

USDJPY remains within a broader bullish structure but is showing signs of short-term consolidation following recent advances. Momentum indicators are elevated but not yet decisively overbought, suggesting scope for range-based trading before any directional continuation.

Key technical levels:

Level type	Price area
Resistance (near-term)	156.10 – 156.30
Resistance (extension)	156.80
Support (near-term)	155.10 – 154.90
Support (key)	154.20

Price action above 155.00 maintains a constructive bias, while a sustained break below 154.90 would suggest a deeper corrective phase.

Technical verdict

The technical outlook favours consolidation with a mild bullish bias while above 154.90, but upside traction is likely to be slower and more selective near resistance.

Strategy (short term)

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

Scenario	Bias	Area of interest	Notes
Range support buy	Long	155.00 – 155.15	Favourable risk/reward while holding above key support
Resistance fade	Short	156.10 – 156.30	Tactical shorts if momentum stalls
Breakdown	Short	Below 154.90	Opens scope towards 154.20

Intraday strategies should prioritise disciplined risk management due to heightened sensitivity near multi-month highs.

Base Case & Risk Managed Outlook

The base case expects USDJPY to hold a broad 154.90–156.30 range. Long exposure remains favoured on dips rather than breakouts, with reduced position sizing near resistance due to intervention risk.

2 Day Outlook Scenarios

Scenario	Probability	Expected behaviour
Range consolidation	Higher	Choppy trade between 155.00 and 156.30
Bullish continuation	Medium	Break above 156.30 targeting 156.80
Corrective pullback	Lower	Break below 154.90 towards 154.20

Summary

Fundamentally, USDJPY remains supported by yield differentials, though upside enthusiasm is tempered by intervention sensitivity. Technically, the pair is constructive but extended, favouring consolidation over aggressive trend continuation. Over the next two days, range-based strategies with a cautious bullish bias are preferred, while remaining alert to sudden shifts driven by policy commentary or bond market volatility.

USDJPY Chart



Economic News relating to USDJPY



December 18

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

23:30 CPI, Core Nationwide YY



Forecast: 3%

Prior: 3%

23:30 CPI, Overall Nationwide



Prior: 3%

December 19

02:30 JP BOJ Rate Decision*



Forecast: 0.75%

15:00 Existing Home Sales



Forecast: 4.15 MNumber of

Prior: 4.1 MNumber of

December 24

13:30 Initial Jobless Clm *



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The Daily Fib

Daily Fibs for the FX Market

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Praemonitus, Praemunitus
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