

GBPUSD 29/12/2025

December 28, 2025

[Daily Fib, GBPUSD](#)

Fundamental / Economic Backdrop (short term)

The short-term fundamental backdrop for GBPUSD is shaped by late-year liquidity conditions, relative monetary policy expectations, and residual positioning into year-end. Sterling remains supported by comparatively resilient UK growth data and a cautious but less dovish Bank of England stance relative to some peers. However, upside momentum is moderated by lingering concerns around UK fiscal discipline and softer forward-looking business indicators.

On the US side, the dollar continues to be influenced by expectations that Federal Reserve policy is approaching a plateau, with markets increasingly sensitive to marginal shifts in inflation and labour market data rather than outright policy moves. Reduced liquidity during the final trading days of the year increases the risk of exaggerated price moves on limited news flow.

Overall, the fundamental balance slightly favours GBP resilience against USD in the very short term, but conviction remains low due to seasonal effects and positioning risks.

Fundamental / Economic verdict

Short-term fundamentals lean mildly supportive for GBPUSD, but thin liquidity and subdued data risk limit directional confidence. The bias remains cautiously constructive rather than strongly bullish.

Technical and Market Sentiment (short term)

GBPUSD is trading around 1.3847, having extended into higher ranges relative to recent weeks. Price action suggests the pair is consolidating after an impulsive move higher, with momentum indicators moderating from overbought conditions on intraday charts.

Key technical levels are as follows:

Type	Level	Notes
Resistance	1.3895–1.3920	Upper intraday extension / prior supply
Resistance	1.4000	Psychological and medium-term cap
Support	1.3790–1.3810	Near-term demand zone
Support	1.3720	Breakdown level / structure support

Market sentiment remains broadly constructive but cautious, with evidence of profit-taking near highs rather than aggressive trend continuation. Volatility is expected to remain uneven due to holiday-thinned participation.

Technical verdict

Technicals favour consolidation to mild upside while above 1.3790, but upside momentum is slowing. A range-biased or measured bullish approach is preferred over breakout chasing.

Strategy (short term)

Intraday / Monday, December 29, 2025 – Setup and Trade Ideas

Scenario	Bias	Entry Zone	Target Zone	Risk Consideration
Buy dips	Mild bullish	1.3790–1.3810	1.3870–1.3900	Tight stops below 1.3760
Range sell	Tactical	1.3890–1.3920	1.3820–1.3800	Only if rejection signals appear

Intraday strategies should prioritise confirmation-based entries due to erratic liquidity conditions.

Base Case & Risk Managed Outlook

The base case anticipates sideways-to-slightly-higher trade within a defined range, with upside attempts likely to stall ahead of 1.3920 unless fresh catalysts emerge. Risk management should account for sudden volatility spikes driven by low participation rather than fundamentals.

Position sizing should remain conservative, with an emphasis on intraday execution rather than swing extension.

5 Day Outlook Scenarios

Scenario	Description	Probability
Range continuation	1.3750–1.3950 consolidation	Higher
Bullish extension	Break and hold above 1.4000	Moderate
Corrective pullback	Reversion towards 1.3650–1.3700	Lower

Summary

The fundamental verdict points to modest GBP support but low-conviction conditions due to year-end dynamics. The technical verdict aligns with this view, indicating consolidation near elevated levels rather than strong trend continuation.

Taken together, GBPUSD is best approached with a cautious, range-aware bias in the immediate short term. Tactical intraday opportunities are favoured over directional swing positions, with close attention to liquidity-driven volatility through the remainder of the trading week.

GBPUSD Chart



Economic News relating to GBPUSD



December 31

13:30 Initial Jobless Clm * ▾



Forecast: 220 KPerson

Prior: 214 KPerson

January 5

15:00 ISM Manufacturing PMI ▾



Forecast: 48.3 Index

Prior: 48.2 Index

January 6

09:30 S&P GLOBAL SERVICE PMI ▾



Forecast: 52.1 Index (diffusion)

Prior: 51.3 Index (diffusion)

14:45 S&P Global Comp PMI Final ▾



Prior: 54.2 Index (diffusion)

15:00 ISM N-Mfg PMI ▾



Forecast: 52.4 Index

Prior: 52.6 Index

January 7

09:30 S&P Global CONSTRUCTON PMI ▾



Forecast: 41.5 Index (diffusion)

Prior: 39.4 Index (diffusion)

13:15 ADP National Employment ▾



Forecast: 45 KPerson

Prior: -32 KPerson

15:00 JOLTS Job Openings ▾



Forecast: 7.751 MPerson

Prior: 7.67 MPerson

January 8

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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