

# USDJPY 29/12/2025

December 28, 2025  
[Daily Fib, USDJPY](#)

## Fundamental / Economic Backdrop (short term)

USDJPY remains primarily driven by monetary policy divergence and year-end liquidity conditions. The US dollar continues to be supported by comparatively higher US yields, while the Japanese yen remains structurally weak due to the Bank of Japan's gradual and cautious approach to policy normalisation.

In the immediate short term, late-December trading conditions typically reduce liquidity, increasing sensitivity to yield moves and risk sentiment. Any modest repricing in US Treasury yields or shifts in risk appetite may therefore generate outsized intraday swings. No major Japanese data is expected to materially alter the near-term outlook, leaving USD dynamics dominant.

## Fundamental / Economic verdict

The short-term fundamental bias remains mildly supportive of USDJPY, though upside momentum is tempered by stretched positioning and the risk of brief corrective pullbacks amid thin year-end liquidity.

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## Technical and Market Sentiment (short term)

USDJPY is consolidating at elevated levels, maintaining a bullish medium-term structure while showing signs of near-term exhaustion.

Key technical levels are as follows:

Type	Level
Resistance	157.20
Resistance	158.00
Pivot / Near-term balance	156.40–156.50
Support	155.80
Support	154.90

Momentum indicators on intraday timeframes are neutral to slightly overbought, suggesting limited immediate upside unless price holds firmly above 156.50. A sustained break below 155.80 would indicate a corrective phase rather than trend reversal.

## Technical verdict

The technical structure remains bullish overall, but short-term price action favours consolidation or shallow pullbacks unless fresh upside catalysts emerge.

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## Strategy (short term)

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

Scenario	Bias	Entry Zone	Target	Invalidation
Range continuation	Buy dips	155.80–156.00	156.90–157.20	Below 155.40
Rejection at highs	Sell rallies	157.00–157.20	156.10–155.90	Above 157.60

Intraday strategies should prioritise reduced position sizing due to thinner liquidity and potential volatility spikes.

## Base Case & Risk Managed Outlook

The base case anticipates range-bound trading between 155.80 and 157.20, with buyers maintaining control on dips while sellers defend recent highs. Risk management remains essential given potential abrupt moves linked to low participation.

### 5 Day Outlook Scenarios

Scenario	Description	Probability
Consolidation	Price oscillates between 155.50–157.50	Medium–High
Upside extension	Break above 158.00 towards 159.00	Medium
Corrective pullback	Decline towards 154.50–155.00	Low–Medium

## Summary

From a fundamental perspective, USDJPY remains underpinned by yield differentials favouring the US dollar, though momentum is moderated by year-end market conditions. Technically, the pair retains a bullish structure but shows signs of near-term consolidation rather than strong trend extension.

The short-term outlook favours range-based strategies, with upside potential intact but increasingly vulnerable to corrective pullbacks if support levels fail.

## USDJPY Chart



## Economic News relating to USDJPY



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

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

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 \*  Forecast: 220 KPerson Prior: 214 KPerson

January 9

13:30 Building Permits: Number  Forecast: 1.336 MNumber of Prior: 1.312 MNumber of

[More events >](#)





# ***The Daily Fib***

**Daily Fibs for the FX Market**

[Fibbinarchie.com](http://Fibbinarchie.com)

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Praemonitus, Praemunitus  
Fibbinarchie*