



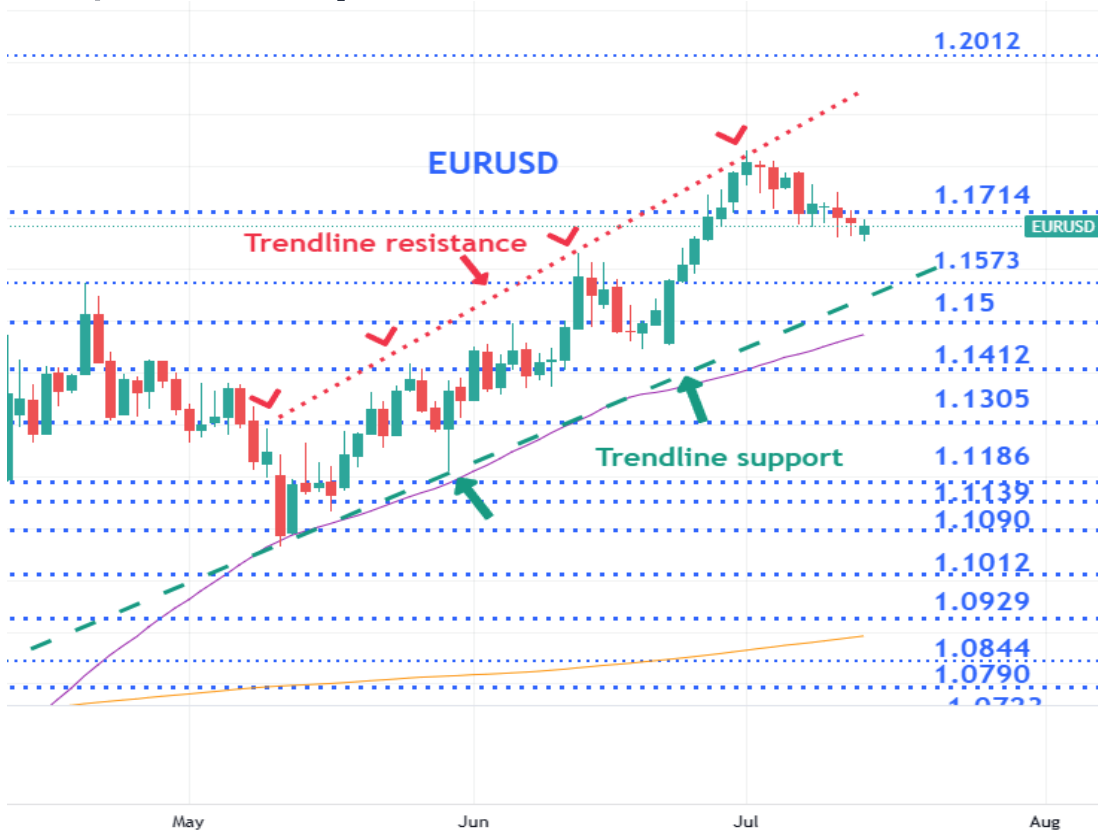
ARGENTEX

Weekly FX Majors Analysis

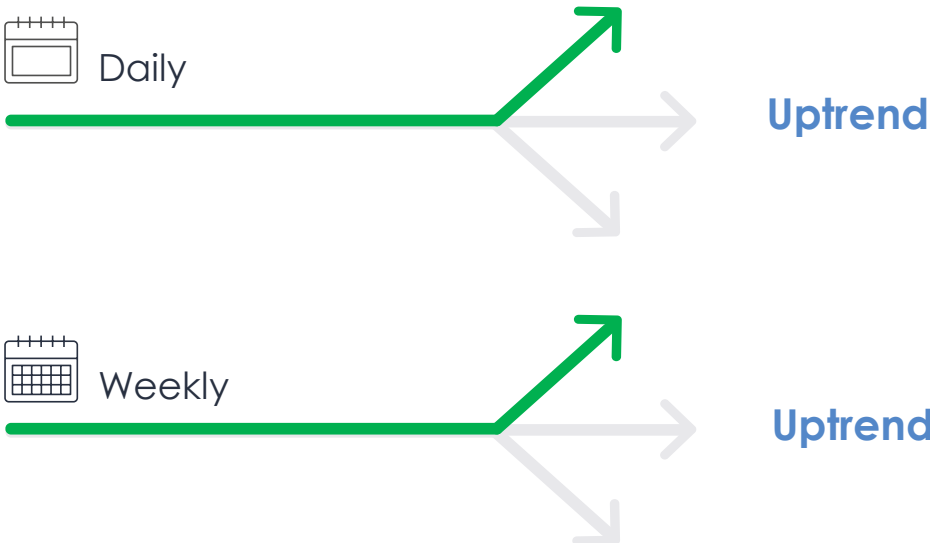
EUR/USD

14 July 2025

EUR/USD Daily Chart



Market Condition



Fundamental Analysis

Recent developments

The euro traded water against a nascent short-term dollar recovery last week. The EU has postponed retaliatory tariffs while it seeks tariff relief on various sectors such as aerospace, autos, and others. Meanwhile, the US has formally announced 'blanket tariffs' of 30% on most imports from the EU and suggested that the 1 August deadline will not be extended. US data is the short-term driver of sentiment this week, with CPI (inflation) out tomorrow - the headline figure is expected at 2.6%, and a number above 2.8% would likely spur a further dollar bounce.



'Certain ECB members do not foresee further rate cuts.'

Key ECB members spoke last week, expressing views on rate policy. Schnabel stated that 'the bar for another rate cut is very high,' adding that a cut would only be needed 'if we saw signs of a material deviation of inflation from our target.' With recent inflation on target, this echoes Lagarde's recently hawkish comments and lends continued support to the euro. She also pushed back on the idea that the ECB would seek to intervene and weaken the euro should EUR/USD push through 1.20. As such, the trajectory for EUR/USD appears to remain higher, though there is a tail-risk scenario in which tariff negotiations falter and a much higher blanket tariff rate is applied, although markets have already absorbed the notion of 30% on certain goods. The tariff-related goalposts may shift again, as they have throughout the year. A July rate cut from the ECB now looks less likely, in our view.

US inflation update inbound

The market has become less sensitive to tariff headlines, given that developments which often appear set in stone frequently prove not to be. Despite some aggressive 30% tariffs set to kick in from 1 August, negotiations remain ongoing. As such, market response to recent headlines has been quite muted. Markets may eventually appear complacent, but we will know more as August approaches. The additional time available for negotiations has so far helped prevent broader panic. The recent dollar bounce is understandable, driven by stronger June employment data, the passage of the 'OBBA' (which contributed to higher yields), and the idea that higher US inflation through the summer could allow the Fed to remain reticent to cut rates (with US CPI due this week). However, ongoing dollar hedging remains a headwind, alongside expectations that employment data will weaken over the summer. Many economists are awaiting the 'hard data' in the US to deteriorate over the summer (particularly in the labour market), which may organically lead to further dollar weakness, as well as a more dovish Fed - something that remains a key desire of Trump. A hotter US CPI print tomorrow, above 2.7%/2.8%, may be needed to drive further dollar gains this week.

Technical Analysis

The uptrend remains fully intact, but price action is retracing within the confines of the trend channel illustrated on p1. The current retracement still has some way to go to meet key technical support, which resides at the trendline (around 1.1580), and the momentum low from June at 1.1446 will need to hold for further gains to look plausible over the medium term. It seems unlikely that 1.18 will be retested this week unless US data comes in on the weaker side.



Upside

1.1714

Key resistance level since 2015 & near-term trendline resistance sits just above here.

1.1890

Long-term trendline resistance sits here, which may provide a short-term lid on price action.

1.2012

Significant chart level will be used for EUR/USD longs – very bullish if broken to upside.



Downside

1.1573

The April momentum high will now become the first downside technical support level.

1.1446

The recent retracement held here. Likely to remain support if a pullback is seen.

1.1186

If this breaks, the long-term uptrend is over!

Looking Ahead

A look ahead to the key scheduled data releases for the week



AM: Germany's Nagel speaks
AM: German ZEW economic sentiment
AM: Germany's Nagel speaks

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

PM: CPI (consumer inflation)
PM: PPI (inflation)
PM: Retail sales

About Argentex

As a global expert in currency risk management and alternative banking, Argentex offers bespoke services alongside market leading technology for businesses and financial institutions. When choosing Argentex, clients benefit from competitive rates, tailored risk management solutions and certainty that their organisation is in safe hands.

Argentex is listed on the London Stock Exchange, with offices in the UK, the Netherlands, Australia and UAE. We've transacted more than \$200bn for our clients since 2012, making payments in up to 140 currencies on their behalf.

Get in touch with one of our currency experts to find out more:

Connect@argentex.com

London: +44 (0)20 3862 6009

Netherlands: +31 (0)20 808 5646

UAE: +971 (0) 4871 4110

www.argentex.com

Argentex LLP

Argentex LLP is an authorised and regulated by the FCA for the provision of the investment services, FRN 781007, and for the issuing of electronic money, FRN 900671.

Argentex B.V.

Argentex B.V. is a limited liability company registered in Amsterdam, the Netherlands with Chamber of Commerce number 81662076 and is a subsidiary undertaking of Argentex Group PLC. Argentex B.V. is authorised and regulated by the Dutch Central Bank as an Electronic Money Institution, DNB number R182875.

Argentex (DIFC) Ltd

Argentex DIFC is a limited company registered in the Dubai International Financial Centre, trading under Commercial License 7822. Argentex DIFC is authorised and regulated by the Dubai Financial Services Authority ("DFSA") for Dealing in Investments as a Matched Principal, Arranging Deals in Investments, Advising on Financial Products and Providing Money Services (DFSA ref F009607).

This document specifically refers to those services offered by Argentex that do not fall within the scope of investment services – spot contracts and forward contracts that meet the means of payment exclusion criteria as defined in the MiFID II regulations. Nothing contained in this document should be construed as advice, a personal recommendation or inducement to deal in any MiFID II designated financial instruments.