

# The FX Trader USDJPY reverses around key resistance level

Saxo Bank · 2026-09-25 · English original

---

Summary: Today, the USD situation, a brief central bank round-up after SNB, Norges Bank and Riksbank met yesterday, and whether it is time again for the JPY to take a stand after recent key levels came into play in USDJPY. And, EURGBP is pushing on key resistance again.

## The latest

USD strength slowed and the USD move is looking a bit stretched in the near term. It was interesting to note that yesterday's strong extension in US treasury yields at the long end of the curve failed to inspire as much USD strength as the prior round of yield rises, although the short end of the US treasury yield curve was notably absent from the advance in yields Thursday after Wednesday's huge jump on strong September PMI readings. This suggests the market is getting wary of pricing more Fed tightening now that we are nearing a "terminal" rate hike cycle high of almost 100 basis points of further tightening (The market has already priced +87 basis points through next June's FOMC meeting). This is not to say that the big dollar can't trade firmer still, but we may be very near the upper end of where it can go on the fuel from US rate rises at the front end of the curve, at least. And as we note below, we got a solid reversal around a key USDJPY level – admittedly on somewhat thin verbal intervention news – but still worth noting nonetheless.

Key takeaways and what to watch for from here: There is still potential for the broader US dollar to continue to rally from here, but in the near term, the key driver seems to be the rise in US treasury yields – and the bar is now high for further adjustments at the front end of the US Yield curve at minimum. In the meantime, we have a one-week wait to see how the US responds to Iran's overtures for restarting "broader talks" as the FT puts it on opening up the Strait of Hormuz – a critical factor for oil prices and global bond markets.

Chart focus: USDJPY again. USDJPY pivoted from yesterday's highs just after running up through the key resistance around the 158.50 area, where we have the 200-day moving average. Importantly for Ichimoku-oriented technicals, the cloud level (the shaded area) was not broken on the close yesterday, and a close today well back below the 200-day moving average sets up clear resistance levels now. That close lower today would also help get the lagging span (the green line) down away from the price bars, though we'll need to see another steep sell-off for this indicator to stay below the prior price bars in the weeks ahead. Regardless, this is an area where the yen needs to make a stand to maintain any short-term technical argument intact for renewed JPY strength.

SNB: The Swiss franc traded sharply weaker Thursday after a nominally dovish SNB meeting given the backdrop of wild yield rises elsewhere. The bank left the rate at 0.00% as universally expected, removed wording about CHF intervention against strength (no longer seen as necessary, likely, after the recent sell-off in the franc) and only slightly raised its inflation forecasts through 2028, all while complementing the supportive effect for the economy from the weaker CHF. EURCHF rallied back above 0.9425 after trading below 0.9400 ahead of the meeting.

Scandies after Norges Bank and Riksbank: The Norges Bank rate hike (widely expected) triggered a sharp NOK rally intraday Thursday, but guidance for possible further hikes failed to lift short Norwegian rates and the bank maintained a forecast for the rate to eventually fall back and the rally was quickly erased. Sweden's Riksbank failed to inspire sticky SEK strength as the core inflation forecasts confused (higher for this year and next, but lower for 2028) while the bank said that there was still some spare capacity in Sweden's economy.

Small note on EURGBP – not sure of the driver beside the residual effect of BoE dovishness, but we have EURGBP perched again at key levels above 0.8600 – a clear line of resistance.

Looking ahead. Next week will be all about establishing whether this USD move can extend for now and especially whether the USDJPY will remain capped and even make a solid stab back lower. Some kind of stability emerging from the Middle East and a solid crush lower in crude oil prices could even set in motion a solid reversal of recent developments if global bond yields respond in kind with a strong dip – note that we are coming into quarter-end rebalancing of portfolios after these huge recent moves in yields as well.

Next Friday's US jobs report will be critical for the US dollar picture and the market may even shrug off solidly strong data if yields and crude oil prices have retreated. A weak number could play more strongly in the market after the recent USD strength. The chief focus is inflation, after all. The ISMs (Thursday for the Sep. ISM Manufacturing – not until the following Monday the 5th for ISM Services) have taken on a bit of added importance because of the strength of the S&P Global PMI readings this week.

Next Friday's US jobs report will be critical for the US dollar picture and the market may even shrug off solidly strong data if yields and crude oil prices have retreated. A weak number could play more strongly in the market after the recent USD strength. The chief focus is inflation, after all. The ISMs (Thursday for the Sep. ISM Manufacturing – not until the following Monday the 5th for ISM Services) have taken on a bit of added importance because of the strength of the S&P Global PMI readings this week.

Table: NEW FX Board Trend Scoreboard for individual pairs.

AUDUSD has slipped into a new bear trend, but it is so buried in the prior range, it is tough to trust the move's durability, especially as the pair trades near key psychological and real support (0.7000 and the 200-day moving average at 0.7025). Also note that the USDJPY downtrend is on life support here – needing a follow up sell-off soon to keep the trend intact.

---

Source: <https://www.home.saxo/content/articles/forex/the-fx-trader-usdjpy-reverses-around-key-resistance-level-25092026>