The out-of-hours picture

> **OUT-OF-HOURS PRINT**
>
> A trade executed in pre-market or after-hours sessions: real money at a real price, on a book a fraction of the day session's depth. It is evidence of reaction, not established price - the opening auction, with the whole market present, decides which out-of-hours prints were prophecy and which were noise.

Earnings land outside the day, so the first prices react outside the day too. Reading them is genuinely useful - and only with the thinness held constantly in mind.

What the sessions are

Before the open and after the close, continuous trading runs on drastically reduced participation: spreads multiples of the day's, depth a sliver, and single orders able to print startling prices. The commodities lesson - the market being open and being present are different facts - reaches its extreme here: the venue is on, and almost nobody is home.

Reading the reaction honestly

Direction over level: a name trading down 6% after results is real information about reaction; whether the true morning price is down 3% or 9% is beyond the thin book's authority.Volume gates trust: an after-hours move on meaningful volume is the market reacting; the same move on a few hundred shares is one participant's opinion wearing a price.The auction is the referee: the open cross, with the full market present, settles the matter - out-of-hours reading is a preview to be graded, never a level to anchor on.

The practical discipline

For holders through earnings, the out-of-hours tape answers one question early - roughly how wrong or right the position is - and that is preparation, not action. Orders resting in thin sessions execute at thin-session prices; the trader who wants the real market waits for the auction. Every track has taught its version of this patience; equities simply schedules the temptation twice a day.

Check your understanding

1. A share prints down 6% after hours on a few hundred shares. What is known?

a. The name will open about 6% lower

b. One participant paid a thin-book price - direction of reaction is suggested, but the level carries almost no authority until the auction

c. The results were worse than reported

Answer: b. Tiny volume on a sliver-thin book is an opinion wearing a price. The open cross with full participation is the referee - out-of-hours reading previews it, never replaces it.

2. What is the out-of-hours tape actually for?

a. Executing before others can react

b. Preparation: an early, rough answer to how right or wrong a held position is - graded by the auction, not acted on in the dark

c. Setting stop levels for the next day

Answer: b. The thin sessions offer information at the price of authority. Reading them readies the morning's decisions; trading them pays thin-book spreads for the privilege of guessing early.