# A day in the FX market

> **THE FX TRADING DAY**
>
> FX trades continuously from the Wellington open on Monday morning to the New York close on Friday evening, but the market is not the same market all day. Liquidity follows the sun - deepest where London and New York overlap, thinnest between the New York close and Tokyo's build - and when the book thins or the market closes, prices can gap: reopen or jump to a level with nothing traded between.

The same EUR 40m order that marked the price 2 pips at London mid-morning would carve through five times the levels at 22:00 UK time. Nothing about the order changed. The market it landed in did - and it changes on a timetable you can read in advance.

## What does the trading day actually look like?

Dealing follows working hours around the planet: Wellington and Sydney open the week, Tokyo builds Asian liquidity, London takes over as Europe's banks arrive, and New York overlaps London through the afternoon before closing the day. The market never rings a bell between them - one region's dealers hand over to the next. Depth peaks where the two biggest centres overlap, roughly 13:00 to 17:00 UK time, and hollows out after New York closes, when the same order meets a fraction of the standing quotes.

Twice a week the rhythm breaks completely. From Friday's New York close to Monday's Wellington open, there is no book at all - and news does not keep market hours. Whatever happened over the weekend is priced into Monday's first quotes, which can sit far from Friday's last. That is a gap: the price did not travel between the two levels, because there was nothing to travel through. Thin books produce the same effect in miniature - around news seconds, and in the dead hours after New York.

Diagram: The FX day in UK time: depth follows the sessions, peaks in the London-New York overlap, and vanishes into the weekend.
View it in the web lesson: https://ticksprout.com/learn/fx/market-foundations/a-day-in-the-fx-market

**Worked example - figures in USD**

**You hold 0.5 lots of EUR/USD into the weekend, stop 30 pips away. A pip on a full lot is worth $10.**

1. You hold 0.5 lots of EUR/USD into the weekend with a stop 30 pips away. Each pip is worth $5 on your size ($10 per full lot), so the stop plans a loss of $150.
2. Weekend news lands and Monday opens 20 pips beyond your stop. A stop cannot execute inside a gap - there are no prices there - so it fills at the open: 50 pips, $250, which is $100 beyond the plan.
3. The arithmetic is symmetric: an open the same distance beyond a take-profit pays $100 more than planned. Gaps ignore intent - they reprice whatever was left exposed, in whichever direction the news ran.

## What this means for you

The clock is a public input, so use it like one. Expect the cheapest, deepest trading where London and New York overlap, and expect worse fills and wider spreads outside it - the same trade costs more at 22:00 than at 15:00. A stop is a plan for a market with prices in it: through weekends and news seconds, it caps nothing, so holding through them is a decision about gaps, not just direction. The market hours tool below shows which sessions are open and where they overlap, right now, in your own timezone.

Try it yourself with the market-hours calculator: https://ticksprout.com/tools/market-hours

## Check your understanding

**1. Why does the same order move the price further at 22:00 UK time than at 15:00?**

a. Fewer quotes are waiting in the book after New York closes, so the order walks more levels
b. Overnight trading fees make prices move more
c. The market is closed at 22:00
d. Volatility is switched higher outside business hours

Answer: a. Depth follows the working day, and thin books convert the same order into more distance. Fees do not move prices, the market is open around the clock during the week, and nothing switches volatility - the thinner book is the entire effect.

**2. EUR/USD closed Friday at one level and opened Monday 60 pips away. What happened to the prices in between?**

a. They never existed - with no book over the weekend, there was nothing to trade through
b. They traded during the weekend on a private market
c. The broker skipped them to avoid paying out stops
d. They flashed past too quickly to see

Answer: a. A gap is an absence of trading, not fast trading. Weekend news repriced the pair before any book existed to walk. Interbank dealing stops at the New York close on Friday, brokers reopen on the quotes they receive, and nothing flashed past - there was nothing there.

**3. Your stop sits 30 pips away and the market opens 50 pips against you after the weekend. Where does the stop fill?**

a. Around the open, about 50 pips away - a stop cannot execute at prices that never traded
b. At exactly 30 pips, as placed
c. It cancels automatically over weekends
d. Halfway between the stop level and the open

Answer: a. A stop is an instruction to trade once a level is touched, and inside a gap there are no prices to touch - it triggers at the first real price, the open. Nothing guarantees the placed level, nothing cancels it, and no venue splits the difference.

**4. When is the EUR/USD book usually at its deepest?**

a. Where the London and New York sessions overlap
b. At midnight UK time, when all sessions are quiet
c. During the Tokyo session
d. Depth is constant around the clock

Answer: a. The two largest dealing centres quoting simultaneously stack the most size into the book, roughly 13:00 to 17:00 UK time. Midnight UK sits in the thinnest stretch, Tokyo's depth centres on Asian pairs, and constant depth is exactly what the trading day does not have.