Volume in FX, and why every platform's differs

> **TICK VOLUME**
>
> FX has no central record of traded amounts, so the volume bars on a retail FX chart do not show volume. They count ticks - how many times that broker's own quote changed in the period - which correlates loosely with activity and says nothing about size. Two platforms disagree about it routinely, and both are counting honestly.

The volume bars under your FX chart look like an instrument reading - a measured quantity, like the price above them. They are the least trustworthy numbers on the screen, and knowing exactly why protects you from a whole family of confident-sounding analysis built on top of them.

What is the platform actually counting?

Quote changes. A share exchange records every trade and its size, so equity volume is a measurement. FX's dealer network from module 1 has no such tape: nobody sees every trade, and nobody publishes sizes. So platforms count the only thing they have - how many times their own assembled quote ticked in the period - and label the count volume. A EUR 50m order and a EUR 50,000 order that each move the quote once count the same. A busy quote feed counts more than a quiet one carrying identical flow. The number is a shadow of activity, cast by one broker's feed.

To be fair to the shadow: tick counts do rise when the market is busy, because busy books re-quote more. Across a day the shape of tick volume tracks the sessions from module 1 well enough. The trouble starts when the proxy is promoted into a measurement - volume confirms this, volume diverged from that - carrying a precision it has never had. It feels like a real indicator. It is a count of quote flickers, and it changes with the broker, as the worked example shows.

Worked example - figures in USD

You hold 0.5 lots of EUR/USD through an hour that travels 35 pips. A pip on a full lot is worth $10.

1. The same hour of EUR/USD on two platforms: one reports 4,100 ticks of volume, the other 2,900 - 40% apart, both counting their own feeds honestly.
2. Your 0.5 lots position experienced the identical hour on either: 35 pips of travel at $5 per pip ($10 per full lot) is $175, to the penny, on both platforms.
3. That is the asymmetry to remember: price settled your account and the two feeds agree on it within a wick. Volume touched nothing and they disagree by nearly half. One of these numbers deserves your attention.

What this means for you

Use tick volume for the one thing it weakly supports - a rough sense of busy against quiet, which the session clock already gave you - and refuse every promotion beyond that. When analysis leans on FX volume as confirmation, ask what was actually counted, because the answer is quote flickers from one feed. If you want a liquidity gauge with consequences, the next lesson has one: the spread is measured, it differs by the minute, and unlike tick volume, you pay it.

Check your understanding

1. What do the volume bars on a retail FX chart count?

a. How many times that broker's quote changed in the period
b. The amount of currency traded in the market
c. The number of trades across all brokers
d. The broker's own clients' order sizes

Answer: a. With no central tape, tick counting is all a platform can do. Traded amounts are unknowable market-wide, no cross-broker trade count exists, and client order flow is not what the standard tick-volume plot draws.

2. Two platforms report tick volumes 40% apart for the same pair and hour. What does this show?

a. Tick volume is a property of each broker's feed, not of the market
b. One platform is fabricating its data
c. The pair traded 40% more on one platform
d. One feed lagged by an hour

Answer: a. Different feeds tick differently while carrying the same market - both counts are honest counts of different things. Fabrication is not needed to explain it, per-platform traded amounts are not what either number measures, and a lagged feed would misalign prices too, which agree.

3. A EUR 50m order and a EUR 50,000 order each move the quote once. How does tick volume record them?

a. Identically - one tick each, sizes invisible
b. The larger order counts a thousand times more
c. Proportionally to their sizes
d. Only the larger one registers

Answer: a. Ticks count quote changes and nothing else, which is exactly the information equity volume has and FX tick volume lacks. Any answer involving size describes a measurement FX does not have.

4. Why is it tempting to treat tick volume as a real indicator, and what is the correction?

a. It looks like measured equity volume; the correction is remembering it counts flickers of one feed
b. It is a real indicator - the temptation is fine
c. Brokers advertise it as exact; the correction is switching broker
d. It is usually right; the correction is only needed on exotics

Answer: a. The bars borrow the visual authority of a measurement while carrying a proxy's information. Yielding to that authority is the mistake this lesson exists to prevent; no broker switch fixes what no broker has, and the proxy's weakness applies to every pair - the tape is missing everywhere.