Market Talks
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FOREX · BEGINNER · LESSON 6 OF 15

Trading Sessions and Market Hours

When each part of the world is trading, why some hours move far more than others, and how to turn session times into your own local clock

11 min read 8 quiz questions with answer key

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Trading Sessions and Market Hours

IN ONE SENTENCE

The forex market is open 24 hours a day from Monday to Friday, but it is not equally busy all day. Activity passes from Sydney and Tokyo to London and New York, and the busiest hours come when London and New York are open together. Knowing the sessions helps you choose when to trade, which pairs to watch and when to stay away.

Four sessions around the world

In Lesson 1 you saw that forex follows the sun. Traders usually divide the 24-hour day into four **sessions**, named after the financial centers where most trading happens at that time:

- **Sydney** opens the week and the trading day.
- **Tokyo** is the main center of the Asian session, together with Singapore and Hong Kong.
- **London** is the largest forex center in the world, handling about 38% of all trading.
- **New York** is the second largest center and the home of the US dollar.

Session times are conventions, not official opening hours. They roughly follow the local business day, from about 8 or 9 in the morning to 5 or 6 in the evening, and different sources may shift them by an hour. In this lesson all times are in **UTC**, Coordinated Universal Time, for the northern winter, when the clocks in London and New York are on standard time.

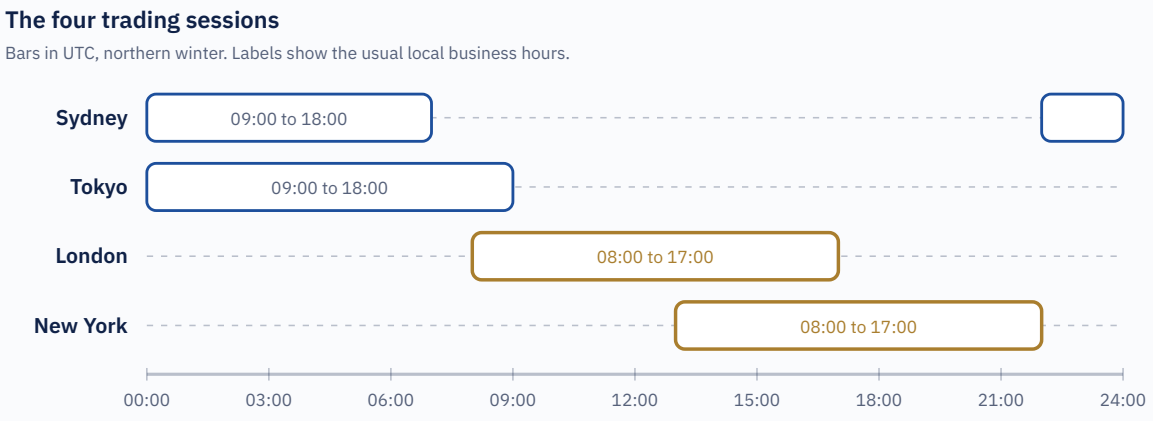


Figure 1. The four sessions in UTC during the northern winter. Each covers roughly the business day of its center; Sydney starts the day before UTC midnight.

Each session has its own character

- **Sydney** (about 22:00 to 07:00 UTC) is the quietest session. The Australian and New Zealand dollars are the most active currencies, and on Monday morning prices can open with a gap if there was news over the weekend.
- **Tokyo** (about 00:00 to 09:00 UTC) brings more activity. The yen and the Australian dollar are in focus, along with data from Japan, China and Australia. For many other pairs, Asian hours often produce a fairly narrow range.
- **London** (about 08:00 to 17:00 UTC) is the busiest session. Big European banks and funds start trading, and pairs with the euro, pound and Swiss franc become very active. The London open often breaks out of the range set during Asian hours.
- **New York** (about 13:00 to 22:00 UTC) brings US economic data and the reaction of US traders. Its first hours, when London is still open, are the most active of the day. After London closes, activity usually slows down until the end of the trading day.

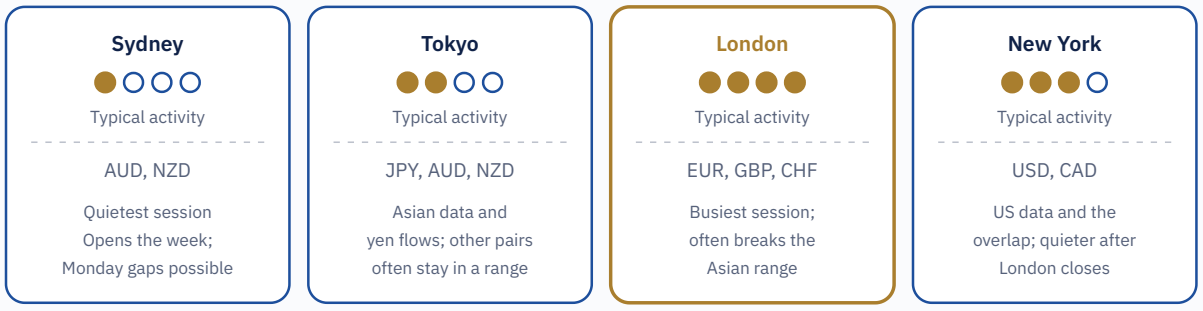


Figure 2. Each session has its own main currencies and typical level of activity. London is the busiest; Sydney the quietest.

The busiest hours: London and New York together

When two sessions are open at the same time, more banks and traders are active, so liquidity is deeper, spreads are tighter and price moves are usually larger. The most important **overlap** is between London and New York, from about **13:00 to 17:00 UTC** in winter.

Two regular events fall inside this window:

- **US economic data.** Major US releases, such as jobs and inflation figures, usually come out at 8:30 a.m. New York time, which is 13:30 UTC in winter. They can move dollar pairs sharply within seconds. Lesson 9 covers the economic calendar.
- **The London fix.** At 4 p.m. London time, a widely used benchmark exchange rate, the WM/Reuters fix, is calculated from trading over a five-minute window. Many funds and

companies buy or sell currencies at this rate, so prices can move strongly just before 16:00 UTC, especially at the end of the month.

There are smaller overlaps too: Tokyo and London overlap briefly around 08:00 UTC, and Sydney and Tokyo overlap during the Asian morning.

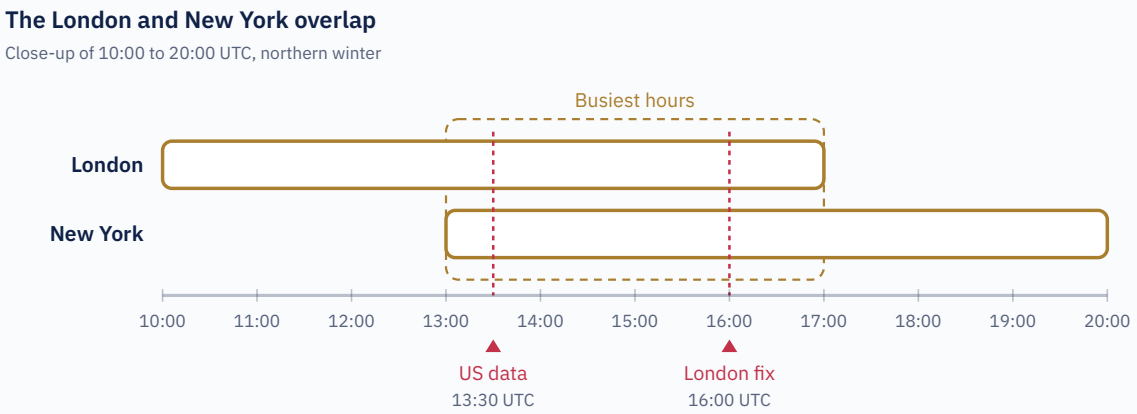


Figure 3. When London and New York are both open, liquidity and price moves are at their highest. US data and the London fix both fall inside this window.

How much the market moves hour by hour

Because activity changes through the day, so does **volatility**, the size of price moves. For a major pair like EUR/USD, a typical day looks something like this: small moves during Asian hours, a jump when London opens, the largest moves when New York joins and US data comes out, then quieter trading in the late US afternoon.

This pattern matters in practice:

- A strategy that needs strong moves, such as trading breakouts, usually works best in the London and New York sessions.
- A strategy that trades within a range may suit quieter hours, but costs are often higher then, because spreads are wider when liquidity is low (Lesson 3).
- A stop loss that is safe during Asian hours may be too close once London opens and moves become larger.

Every pair has its own rhythm. AUD/USD and USD/JPY are relatively more active in Asia than EUR/GBP, which comes alive mainly in London. Watching a pair for a few weeks will show you its typical active hours.

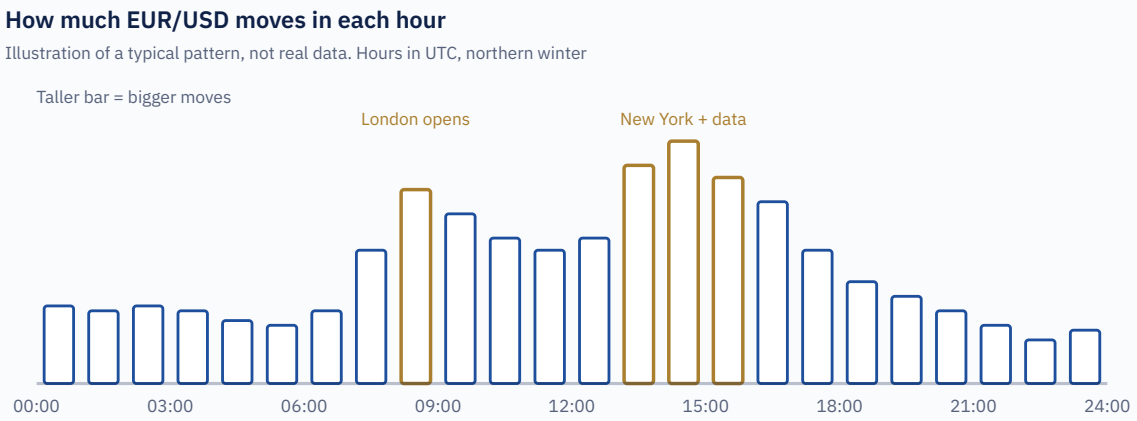


Figure 4. An illustration of how a major pair's moves typically change through the day, with peaks at the London open and when New York joins.

The trading week, weekends and holidays

The forex week opens on **Sunday at about 22:00 UTC**, which is Monday morning in Sydney, and closes on **Friday at about 22:00 UTC**, which is 5 p.m. in New York. On most platforms, nothing can be traded over the weekend.

The edges of the week deserve care:

- **Monday open.** If important news happens over the weekend, the first prices on Monday can be far from Friday's close. This jump is called a **gap**. Stop losses do not protect you inside a gap: they are filled at the first available price, which may be much worse.
- **Friday afternoon.** Many traders close positions before the weekend, so liquidity thins out in the last hours of the US session.
- **Holidays.** When a major center is closed, for example on Christmas Day, New Year's Day or a US public holiday, trading is thin, spreads widen and moves can be erratic.

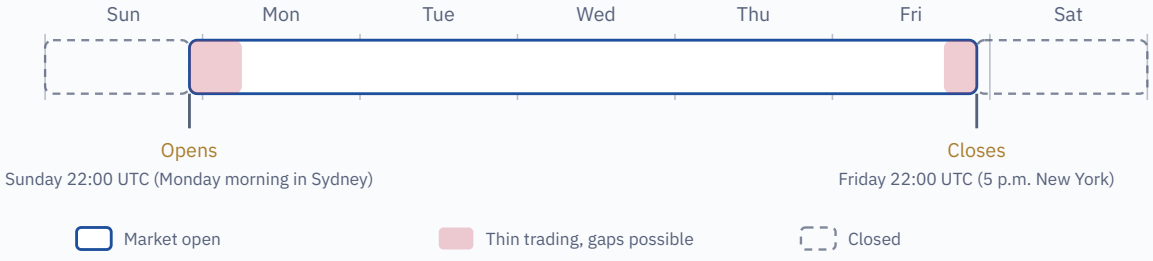


Figure 5. The trading week runs from Sunday evening to Friday evening in UTC. The edges of the week and the weekend carry extra risk.

When the clocks change

Session times in UTC move by one hour when countries switch to **daylight saving time** (summer time), and the main centers do not switch on the same dates:

- The **United States** moves its clocks forward on the second Sunday in March and back on the first Sunday in November.
- The **UK and the European Union** change on the last Sunday in March and the last Sunday in October.
- **Sydney**, in the southern hemisphere, does the opposite: summer time runs from early October to early April.
- **Japan** does not use daylight saving time.

In the northern summer, London trades from about 07:00 to 16:00 UTC and New York from about 12:00 to 21:00 UTC, one hour earlier than in winter. For two or three weeks in March and one week around the end of October, the US and Europe are out of step, and the London and New York overlap is one hour longer or shorter than usual. If you trade at fixed times, check your schedule during these weeks.

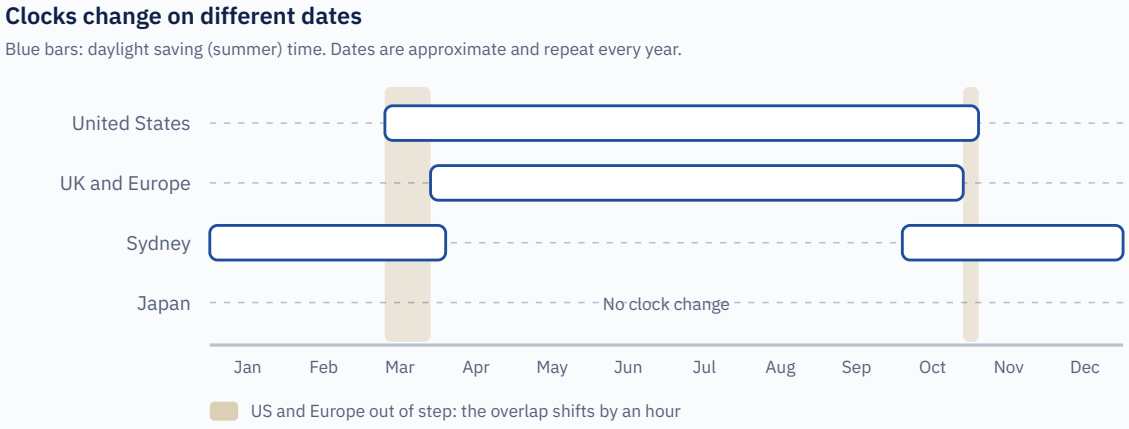


Figure 6. The US, Europe and Sydney change their clocks on different dates, and Japan does not change at all, so session times in UTC shift during the year.

Turning session times into your own clock

The sessions only become useful when you know what they mean where you live. The simplest way is to write down a few key times in your own time zone. Here are the main moments of the trading day in northern winter for traders in different cities:

Moment	UTC	London	New York	Dubai	Singapore
Tokyo session starts	00:00	00:00	19:00 (day before)	04:00	08:00
London opens	08:00	08:00	03:00	12:00	16:00
Major US data	13:30	13:30	08:30	17:30	21:30
London fix	16:00	16:00	11:00	20:00	00:00 (next day)
Daily close	22:00	22:00	17:00	02:00 (next day)	06:00 (next day)

Your platform may show yet another time. Many MetaTrader brokers set their server clock to UTC+2 in winter and UTC+3 in summer, so that each daily candle ends at 5 p.m. New York time and there are exactly five daily candles per week. Check which time zone your charts use before you plan trades around specific hours.

EXAMPLE: CHOOSING HOURS THAT FIT YOUR LIFE

Alex lives in Singapore and works until 6 p.m. He cannot watch the London open at 4 p.m. local time, but he is free in the evening. In winter, US data arrives at 9:30 p.m. his time, and the London and New York overlap runs from 9 p.m. to 1 a.m. He decides to focus on EUR/USD and gold in the evening and to avoid trading in the last hour before 6 a.m., when the daily close makes spreads wider.

Why this matters for traders

- **Trade when your pair is active.** Major pairs move most, and cost least, during the London and New York sessions, especially when they overlap.
- **Know the scheduled events.** US data at 13:30 UTC and the London fix at 16:00 UTC (winter times) can cause sudden moves. Avoid opening new trades in the minutes just before them unless that is your plan.
- **Respect the edges of the week.** Weekend gaps can jump over your stop loss, and Friday evening and holidays bring thin liquidity and wider spreads.
- **Gold has the same rhythm.** XAU/USD is most active in the London and New York sessions and reacts strongly to US data. Bitcoin trades all weekend, but its liquidity also follows these sessions on weekdays.

Key terms

Trading session	A period of the day when a major financial center is most active, such as the London session.
UTC	Coordinated Universal Time, the world's standard reference time, the same as London time in winter.
Overlap	The hours when two sessions are open at the same time, usually the most active part of the day.
Volatility	How much and how quickly prices move.
London fix	A benchmark exchange rate set at 4 p.m. London time from trading over a five-minute window, used by many funds and companies.
Gap	A jump between one price and the next, often between Friday's close and Monday's open, with no trading in between.
Daylight saving time	Moving the clocks forward one hour in summer; different countries do it on different dates.
Server time	The time zone your trading platform uses for its charts, often UTC+2 or UTC+3.
Range	The distance between the highest and lowest price in a period.
Breakout	A move in which the price leaves a range it had been trading in.

Key takeaways

1. The forex day is divided into four sessions, Sydney, Tokyo, London and New York, named after the main centers active at those hours.
2. London is the busiest session, and the London and New York overlap, about 13:00 to 17:00 UTC in winter, is the most active part of the day.
3. Volatility follows the sessions: smaller moves in Asian hours, larger moves at the London open and around US data.
4. The week runs from Sunday about 22:00 UTC to Friday about 22:00 UTC; weekend gaps, Friday evenings and holidays bring extra risk.
5. Daylight saving time shifts sessions by an hour on different dates in different countries, so convert key times into your own clock and your platform's time.

Test yourself

Circle one answer for each question. The answer key with explanations is on the next page. You can also take this quiz online at markettalks.info and see your score instantly.

1. Which session handles the largest share of forex trading?

A Sydney
B Tokyo
C London
D New York

2. When is the London and New York overlap in northern winter?

A 00:00 to 04:00 UTC
B 08:00 to 09:00 UTC
C 13:00 to 17:00 UTC
D 20:00 to 22:00 UTC

3. Why are spreads usually tighter during the overlap?

A Brokers give discounts in the afternoon
B More banks and traders are active, so liquidity is deeper
C Prices do not move during the overlap
D Central banks fix the spreads

4. Major US economic data usually comes out at 8:30 a.m. New York time. What is that in UTC in winter?

A 08:30
B 12:30
C 13:30
D 16:30

5. What is the London fix?

A. The time London banks close for lunch
B. A benchmark rate calculated at 4 p.m. London time from a five-minute trading window
C. A rule that fixes the pound to the euro
D. The opening price of the London session

6. Why can a stop loss fail to protect you at the Monday open?

A. Stop losses are switched off on Mondays
B. The price can gap past the stop, and the order is filled at the first available price
C. Brokers do not accept orders on Mondays
D. Monday prices are always the same as Friday's

7. In the northern summer, what happens to the London and New York sessions in UTC?

A. They start one hour earlier
B. They start one hour later
C. They do not change
D. They stop overlapping

8. Alex lives in Singapore (UTC+8). In winter, when does US data at 13:30 UTC arrive for him?

A. 05:30
B. 13:30
C. 21:30
D. 01:30

Answer key

1 C

London

London is the largest forex center, with about 38% of global trading according to the BIS.

2 C

13:00 to 17:00 UTC

New York opens at about 13:00 UTC and London closes at about 17:00 UTC in winter, so they overlap for about four hours.

3 B

More banks and traders are active, so liquidity is deeper

When two big centers are open, there are more buyers and sellers, which keeps spreads tight and lets large orders trade easily.

4 C

13:30

New York is 5 hours behind UTC in winter, so 8:30 a.m. there is 13:30 UTC.

5 B

A benchmark rate calculated at 4 p.m. London time from a five-minute trading window

The WM/Reuters fix at 4 p.m. London time is used by many funds and companies, so trading can be heavy just before it.

6 B

The price can gap past the stop, and the order is filled at the first available price

If news over the weekend moves the market, Monday's first price can be far from Friday's close. A stop inside that gap is filled at the next available price.

7 A

They start one hour earlier

When the UK and US move to daylight saving time, their local business hours start one hour earlier in UTC: London about 07:00 and New York about 12:00.

8 C

21:30

Singapore is 8 hours ahead of UTC, so 13:30 UTC is 21:30, or 9:30 p.m., in Singapore.

SOURCES

- BIS, OTC foreign exchange turnover in April 2025 (Triennial Central Bank Survey): https://www.bis.org/statistics/rpfx25_fx.htm
- LSEG, WMR FX Benchmarks (October 2024): methodology of the 4 p.m. London fix: https://www.lseg.com/content/dam/ftse-russell/en_us/documents/other/wmr-fx-benchmarks-october-2024.pdf
- US Bureau of Labor Statistics, Release schedule (8:30 a.m. ET releases): https://www.bls.gov/schedule/news_release/
- timeanddate.com, Daylight saving time around the world: https://www.timeanddate.com/time/dst/

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