

I found an article explaining **daily events** that influence the forex markets. I made a timetable that shows my understanding of important times during the 24-hour forex day. – RobDee

Event	EDT (GMT-4)	GMT	Notes	Risk
German DAX Futures	2:00	6:00	8am Zurich summer time	Low
London Open	3:00	7:00	8am London summer time	Low
NY Futures reset	5:00	9:00	“try to reverse things and reset their books”	High
Chicago Futures reset	6:00	10:00	“push back each morning and reverse the pattern”	High
London Gold / Oil	6:30	10:30	“telephone bids at the gold and oil fixings”	Med
London Libor Rates	7:00	11:00	inter-bank lending rates	Med
Chicago Open	10:00	14:00	CME Globex (foreign exchange futures,options)	Low
Europe Close	11:00	15:00	4pm London summer time	Med
NYMEX Close	16:00	20:00	4pm NY stock market close, S&P futures move now	Low
Forex contract rollovers	19:00	23:00	triple rollover (swap) on Wed	Med
Tokyo Open	20:00	0:00	Asia tries to reverse US direction	Low
NY midnight	24:00	4:00	very low volume, Asia at lunch, US EU sleeping	Med

Understanding How and Why OTC Forex Markets Work

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Trading the OTC (over the counter) currency markets offers an opportunity to hedge stock and bond investing, but really is more of a traded market following the ebbs and flows of global commerce than it is an investment arena to plan retirement from. Getting to know six major currency pairs would seem an easy task when compared to the tens of thousands of stock and bond options available for analysis. But it seems that it is not necessarily how each currency will move against the USD; more importantly it seems is **knowing when the market will have momentum is key to not getting caught in reversals** and snap-backs whilst leveraged at 100:1.

Setting times to trade really does make a lot of sense with the near-term view that forex valuations carry. “There are three main forex moving times that regularly garner attention, and therefore offer an ability to move prices with momentum” TheLFB-Forex.com trade team explained. “They are the 2am EDT German Dax

futures market, the 6am EDT London gold/oil fixings and LIBOR rates being set, and the 11am EDT European market close. Outside of that, the return from lunch in Japan and the closing of the NYMEX markets really are the only other times that prices move substantially and then hold”.

“At the end of the U.S. session the pattern is for **Asian markets to try and initially reverse U.S. trade direction**, although the lack of volume tends to soon allow pairs to find and hold support areas. The European markets tend to move in the same direction as Asian trade, and then U.S. based futures traders **try to reverse things and re-set their books** as the London fixings are placed between 5-6am EDT” said TheLFB-Forex.com Trade Team members.

At 10:30am in London **telephone bids at the gold and oil fixings** take place, something that sets the morning clearing prices for bullion and crude dealers that

are then adjust once again at 3.30pm local time. At 11am each day in London the **British Bankers Association set the inter-bank LIBOR rates**, something that sets the tone for lending rates between financial market participants.

The London fixings tend to force Chicago based futures markets into a re-alignment program at 06:00 EDT that replicates the newly set fair values on oil, gold, and lending rates, and by default tends to then impact USD based currency values. **“It is rare for the U.S. not to push back each morning and reverse the pattern of forex trade that came before,** especially if a sizeable move has happened in overnight forex trade” TheLFB-Forex.com Trade Team said.

“Forex traders really need to know what is going to trigger the technical set-ups, and therefore be prepared to ride momentum while it lasts. In the trading forex arena there are different things to look for than in the equity and bond investment world; a week in forex is like a month’s worth of stock trade” they said.

“There are three or four times in a 24 hour period that forex traders are well advised to switch tack, lock in profit, and/or reverse near-term directional

thinking” the team said. **“The European and NYMEX close are the U.S. based times to get through, because then, maybe, the equity markets can reveal where they really want to go.** Traders looking for moves outside of 06:00 EDT, 11:00 EDT, and maybe 14:30 EDT, may just find themselves sitting and waiting, wondering why they just bought the high of the day that then reversed”.

As the global economy travels through the contraction phase of its business cycle the leaning is towards S&P futures trade to confirm sentiment.

“The speculators are never too far away from the S&P in times of fear; either selling into the fear of loss, or buying into the fear of missing profits. That is the reason for so much near-term volatility, and that is how things will stay until signs of GDP expansion are seen globally”.

Until then it seems that the 23 hour a day **S&P futures trade will set up the eight hour S&P cash market in the U.S. and by default will set up the USD direction.** Long equities tend to lead to short dollars, and vice versa. “Trends, it seems, will come only when the two get aligned” TheLFB team said..

Written by TheLFB Trade Team
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