

## Sessions

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### Session Overview

The fluctuations and price behavior in the sessions related to the **Asian, London, and U.S. markets** are examined.

- The **Asian session** includes the opening of **Sydney and Tokyo**.
- The **European session** includes the opening of **Frankfurt and London**.
- The **American session** includes the opening of **New York**.

Understanding the relationship between these sessions helps in tracking price behavior. The sessions are based on **broker time** or **local time**, which can be matched using forex time zone converters like [forex.timezoneconverter.com](http://forex.timezoneconverter.com).

### Overlapping Sessions

The **London session overlaps with the New York session**, which is considered one of the best times for trading due to high volatility.

Each forex session can be divided into three parts:

1. The first part is for price discovery (bidding and asking).
2. The middle part is for active trading.
3. The final part is for settlement (exiting daily traders from the market).

When the **New York session begins**, there is often an impact on the London session, causing potential sideways movement.

### Best Entry Time Based on Session Closes

The best time to enter trades is **after a session closes** and before another session opens. For example, if entering in the **London session**, traders should consider the **Tokyo session close** to draw previous levels.

A common observation is that during the **last third of the London session**, a **retracement** occurs before the **New York session opens**. This can be used as a strategy for trading.

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## Using ATR and Daily Box for Trade Setup

To determine trade setups, we compare the **high/low range of the previous day's session** with the **ATR (Average True Range)**:

- If the **daily range** is **greater than ATR**, expect a **reversal** near 50% of the range.
- If the **daily range** is **less than ATR**, expect a **continuation** and shift entry levels accordingly.

### Steps for Setting Up Entries Based on ATR

1. **Draw a daily box** for the previous session's **high/low range**.
2. Compare its height to the ATR.
3. Use the **50% range level** as a key area for potential trade entry.
4. If the range is **greater than ATR**, shift the entry point by **20% of ATR**.
5. If the range is **less than ATR**, shift the entry point closer.
6. Confirm entries using a retracement pattern or key reactions.

This method helps in defining **safe** entry and exit points.

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### Strategy for Entering Trades in Sessions

A method using **triangles** can help define entry points:

1. Draw a **triangle** around the daily box.
2. Divide it into **two parts** (upper and lower sections).
3. The **50% line of the triangle** becomes the key trading range.
4. Use **ATR-based shifts** to adjust entry and stop-loss levels.
5. If a trade is against the main trend, use a **conservative stop-loss**.

### Identifying Safe Trades with Previous Session Levels

- If a **new daily high/low** is formed, use it as a reference.
- If price reaches an **old high/low**, expect a reaction.
- The **previous session close** can act as support/resistance.

Using **pivot levels** from previous sessions also helps confirm entry and exit points.

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### Using Fibonacci and Arc for Entry & Target Calculation

To enhance trade entry, **Fibonacci arcs** can be applied:

- The **first target** is **0.382** of the range.
- The **second target** is **0.618** of the range.
- An alternative approach is to use an **ellipse with a 45-degree scale** for projection.

By adjusting **stop-loss and take-profit** based on session behavior, traders can improve their trade accuracy.

### Market Behavior During Sessions

1. **Frankfurt & London Open** – Initial movement in the first **30 minutes**.
  2. **London Open Influence** – Price often **reverses 70-80 pips** from the Frankfurt move.
  3. **New York Open** – If price moves significantly before the open, a **retracement is likely**.
  4. **Using New York Close Levels** – Helps in defining overnight price direction.
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### Combining Daily Box & Pivot Levels for Stronger Signals

By combining **Daily Box** and **Pivot Levels**, traders can filter **stronger trade setups**:

- Use **Daily Box signals** for direction.
- Validate them with **Pivot Levels**.
- Enter trades with **higher confidence**.
- Exit based on key session movements.

This combination enhances trade accuracy and reduces risk.

### Applying Session Breakout Strategy

- If price **breaks a session high/low**, expect a **continuation**.
  - If price **tests but does not break**, expect a **reversal**.
  - Market reacts **more strongly** when levels align with ATR projections.
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### Summary of Key Trading Rules

- **ATR & Daily Box** determine range and entry points.
- **Session High/Low levels** act as key decision points.
- **Pivot Levels & Fibonacci Arcs** confirm price reactions.
- **Overlapping sessions** create the best trade opportunities.
- **Retracements often occur before session opens**.

This approach allows traders to structure their trades logically, reducing risk while improving entry precision.