

New York Trading Session: Peak Volatility in Overlap with London

During the **New York session**, liquidity spikes and volatility reaches its peak. This session starts at **8:00 AM local New York time** and continues until **5:00 PM**, coinciding with the return of European traders from their midday break.



How to identify and trade during the London session

Why Is the New York Session Important?

New York is one of the largest financial centers in the world and a major hub for the **Forex Market**. Due to the **high volume of transactions** and the **impact of U.S. economic news**, this session plays a major role in forex trading.

It operates from **8:00 AM to 5:00 PM (New York local time)**. **Key Characteristics of the New York Session:**

- ⚡ **Early overlap with the London session** increases liquidity and reduces trading costs (lower spreads);
- ⚡ **Market activity declines** during the later hours;
- ⚡ **Many U.S. economic reports** are released in the early part of the session and have a strong market impact;
- ⚡ **Reduced liquidity in the afternoon** as European markets close;
- ⚡ **Lower activity on Fridays**, as many traders close positions in the second half of the day, often leading to trend reversals.



Increased volatility on the GBP/USD chart during the New York session

Three Phases of the New York Trading Session

The New York session can be broken down into three major phases:

- ⚡ **Morning (8:00 AM – 12:00 PM):** Maximum volatility and trading volume due to overlap with the London session;
- ⚡ **Noon (12:00 PM – 1:00 PM):** Liquidity dips and the market enters a quieter phase;
- ⚡ **Afternoon (1:00 PM – 4:00 PM):** As the NYSE closes at 4:00 PM, many traders close positions and activity drops.

Average Volatility of Currency Pairs in the New York Session

High trading volume results in significant market movement. Here is the **average pip range** for key forex pairs during this session:

Average Volatility (Pips)	Currency Pair
15	USD/CHF
25	EUR/JPY
31	GBP/JPY
19	AUD/JPY
9	EUR/GBP
12	EUR/CHF
16	EUR/USD
20	GBP/USD
23	USD/JPY
13	AUD/USD
12	NZD/USD
17	USD/CAD

Note: These figures are based on historical averages and may vary depending on market conditions.

What Makes the New York Session Unique?

Here are some of its defining characteristics:

- ⚡ **High liquidity in the morning:** Due to the London overlap;
- ⚡ **Impact of economic news:** Most major U.S. reports are released at the session's start;
- ⚡ **Reduced liquidity in the afternoon:** Follows the European market close;
- ⚡ **Lower activity on Fridays:** Many traders close positions, potentially reversing market trends.



A volatile day in the New York session shown on the GBP/USD chart

Who Should Trade the New York Session?

This session suits traders seeking **frequent opportunities, high liquidity, and significant volatility**. It's also an ideal time for **news-based trading**.

Which Currency Pairs to Trade During the New York Session?

While most currency pairs are tradable, some are better due to **higher liquidity** and **tighter spreads**. **Recommended pairs to trade in New York session:**

- ⚡ **Major Pairs (Majors):** EUR/USD, GBP/USD, USD/JPY, USD/CHF are known for highest volume and tightest spreads;
- ⚡ **USD-Related Pairs:** These pairs tend to react sharply to U.S. economic data;

⚡ **Cross Pairs:** EUR/JPY and GBP/JPY are attractive due to their elevated volatility.

Conclusion

The **New York trading session** is one of the most influential and volatile in the forex market. Overlapping with the **London session**, it plays a critical role in shaping daily market direction. Traders can benefit from high volatility by focusing on **major pairs**, **USD-based pairs**, and **volatile cross pairs**.

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