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?

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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.

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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.

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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;

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- **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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