ICT New Day Opening Gap (NDOG)

The **New Day Opening Gap (NDOG)** refers to the price difference between the market's closing price and its reopening price in the following day.

For example, in U.S. indices, the market closes at 5 PM (New York time) and reopens at 6 PM (New York time).

Traders use this analytical method to monitor liquidity flows and implement the **ICT strategy**.

For more information and access to the NDOG indicator, refer to the links below:

⚡ **NDOG Indicator for MetaTrader 4;**
⚡ **NDOG Indicator for MetaTrader 5;**
⚡ NDOG Indicator for TradingView.

Reasons for NDOG Formation

- Release of significant news outside trading hours;
- Changes in market **supply** and demand;
- Sudden decisions by large institutional traders.

Advantages of Using NDOG

- **Multiple trading opportunities:** NDOG gaps frequently occur in the market;
- **Applicability across financial markets:** This strategy can be used in stocks, forex, futures, and cryptocurrencies;
- **High predictability:** Price behavior around gaps often follows specific patterns.

How to Use NDOG at the Start of a New Day?

1. **Identify the gap:** Mark the previous day's closing price and the new day's opening price (NDOG) on the chart;
2. **Observe price reaction:** If the price tends to fill the gap, apply a gap-fill strategy. If the price moves toward the gap, traders should seek confirmation of trend continuation;
3. **Enter the trade:** For a gap-fill strategy, enter trades opposite to the gap direction. For a trend continuation strategy, enter trades in the gap's direction;
4. **Exit the trade:** Set your **take profit** and **stop loss** levels by using key price levels or the point where the price returns to the gap's starting position.

Finding Entry Points Using the 50% NDOG Level

One of the most important NDOG trading methods involves the **50% level** of the gap. This level often triggers significant price reactions.

To calculate the exact **50% level**, use the **0**, **0.5**, and **1 levels** of Fibonacci tool.

Applications of NDOG in Trading

⚡ **Identifying key levels:** NDOG and **NWOG gaps** are reference points for support and resistance levels;

⚡ **Plotting multiple NDOGs:** Draw at least five NDOGs on the chart for better understanding of price behavior;

⚡ **Analyzing lower timeframes:** After identifying NDOGs on daily charts, switch to lower timeframes (e.g., 5- or 15-minute) to find precise entry points.

Key Times for Using NDOG

1. **Early trading hours:** The first 1-2 hours after the market opens are critical for identifying and trading gaps;
2. **Trading sessions:** Price reactions to gaps vary across **different market sessions** (Asia, Europe, U.S.);
3. **London session:** High volumes and frequent gap fills;
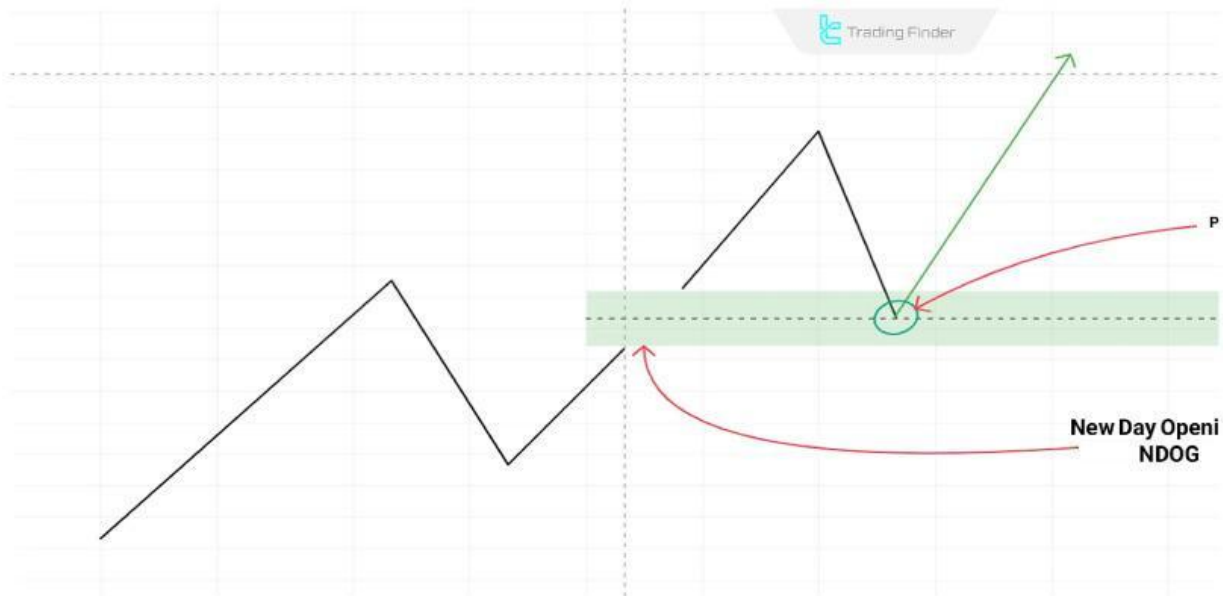4. **New York session:** Confirmation or continuation of gap trends.

Advanced NDOG Tips

⚡ **Multi-day gaps:** Gaps spanning multiple trading days provide stronger levels for analysis;

⚡ **Larger-than-average gaps:** Pay attention to gaps larger than the daily average for significant signals;

⚡ **Market trend alignment:** Gaps aligned with the overall market trend are more likely to succeed;

⚡ **Monitor news and data:** Gaps caused by economic news or significant reports offer stronger signals.

NDOG Buy Strategy

In bullish scenarios, the strategy splits into two approaches:

⚡ Price above the NDOG level: Wait for the price to return to the NDOG level and test it. After observing signs of price reversal on **lower** timeframes (like market structure shift), enter a **buy position**, targeting liquidity levels;

⚡ Price below the NDOG level: If the price tests the NDOG level and **closes** above it, this level acts as **support**; It will confirm the bullish analysis.

NDOG Schematic (Fair Value Gap) in a Bullish Trend

The Nasdaq chart in the 5-minute timeframe illustrates the functioning of NDOG (New Day Opening Gap) in an **uptrend**.
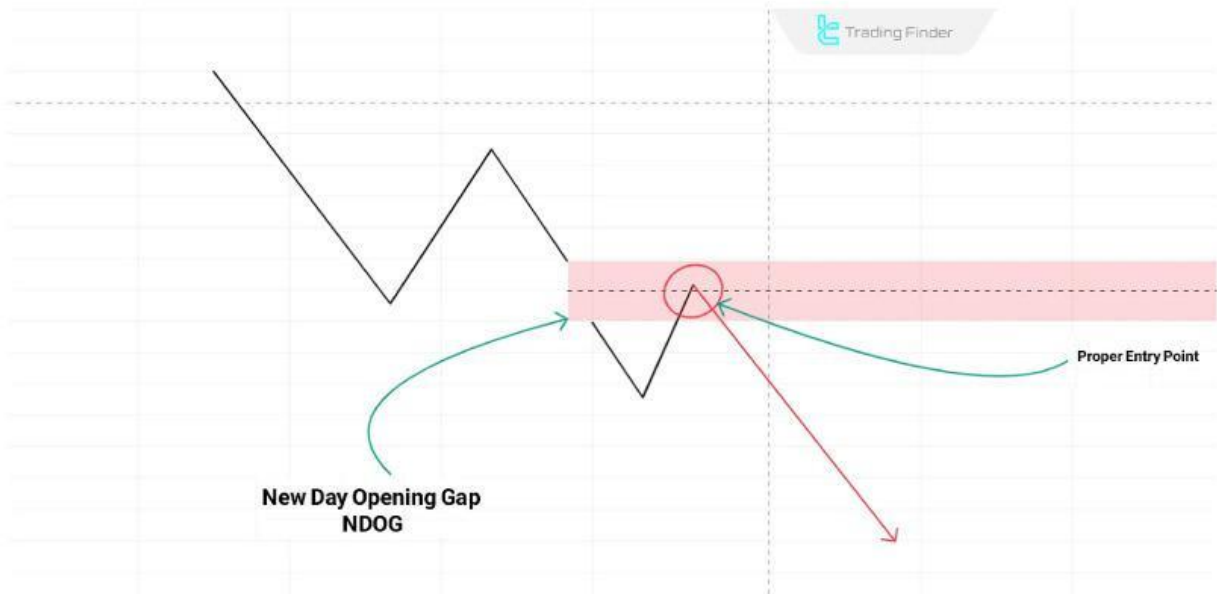

NDOG (Fair Value Gap) in a Bullish Trend

NDOG Sell Strategy

In bearish scenarios, the strategy splits into two approaches:

⚡ **Price below the NDOG level:** Wait for the price to return to the NDOG level and test it. After observing signs of price reversal on lower timeframes (e.g., structure changes), enter a **sell position**, targeting liquidity levels;

⚡ **Price above the NDOG level:** If the price tests the NDOG level and closes below it, this level acts as resistance, confirming the bearish analysis.

NDOG Schematic (Fair Value Gap) in a Bearish Trend

The Dow Jones chart in the 5-minute timeframe illustrates how **NDOG** (New Day Opening Gap) operates in a **downtrend**.

NDOG (Fair Value Gap) in a Bearish Trend

Comparison of NDOG Across Markets

Comparing markets using NDOG provides a better understanding of how this method applies to different trading conditions:

Markets	Frequent Gaps	Gap Impact	Gap Fill Likelihood
Forex	Start of sessions	Moderate to high	High
Stocks	Daily	High	Moderate
Futures & Commodities	Weekends and overnight	Moderate to high	Moderate to high
Indices	Daily	High	Moderate
Cryptocurrency	Less frequent	Moderate	Low
Bonds	News-driven	Moderate	Moderate

source:

1.our website link :
https://tradingfinder.com/education/forex/ict-new-day-opening-gap/

2.all education :
https://tradingfinder.com/education/forex/

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