Comprehensive Guide on ICT New Week Opening Gap (NWOG)

The **New Week Opening Gap (NWOG)** refers to the price gap between the market's closing price on Friday and its reopening on Monday.

NWOG gaps can be either **bullish** (when the market opens higher than the previous week's close) or **bearish** (when the market opens lower than the previous week's close).

This analytical method is used to analyze **liquidity flow** and **implement ICT trading strategies**.

Why Does NWOG Occur at the Start of the Week?

Trading halts at the end of the week, and the market closes. However, unexpected events such as **wars**, **natural disasters**, or **political developments** over the weekend may impact prices.

These influences are reflected in the **market's opening price** at the start of the new week, leading to the formation of a gap.

How to Identify a New Week Opening Gap?

To identify an NWOG, mark the closing price on Friday and the opening price on Monday. This price difference is called an **NWOG** or a **liquidity void** because no trades occur within this range.

Looking for an NWOG indicator? explore the following tools:

- NWOG Indicator for MetaTrader 4
- NWOG Indicator for MetaTrader 5
- NWOG Indicator for TradingView

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NWOG gaps occur when the **Friday closing** price differs from the **Sunday opening** price. These gaps often act as **"liquidity attraction zones"**, meaning prices tend to return to these levels to correct imbalances.

For instance, if a bullish NWOG appears without wicks at the start of the week, it may indicate **strong buying pressure** and an increased likelihood of a **continued** upward trend.

The Importance of NWOG in ICT Analysis

In ICT analysis, **NWOG** & **NDOG** gaps are critical for identifying **key support resistance levels** and **liquidity attraction zones**. These gaps may indicate strong **buying** or **selling pressure**, helping traders anticipate **price movements**.

How to Trade NWOG?

Approaching the **50% level of the gap** often results in significant price reactions, making it a strategic **entry point**. Use Fibonacci tools to determine the **50%** level accurately.

Note: Fibonacci levels should include 0, 1, and 0.5.

Trading Strategies Based on NWOG

1. **Breakout Strategy:** Enter a trade when the price breaks out of the gap range and continues in the same direction;
2. **Reversion to the Gap Strategy:** Enter a trade when the price returns to the gap and reverses from the gap level.

Using Different Timeframes for NWOG Analysis

- **Weekly Charts:** Identify NWOGs within the **weekly** framework and assess the overall market direction;
- **Daily and 4-Hour Charts:** Confirm price **movement** toward or away from NWOG in lower timeframes;
- **1-Hour and Lower Charts:** Pinpoint **entry points** and observe price reactions near NWOG.

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Bullish NWOG Trading

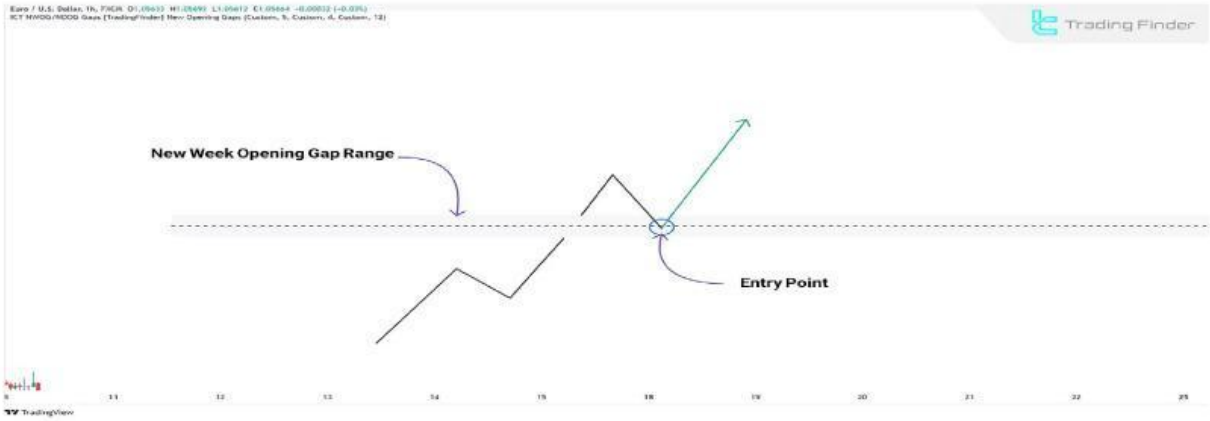
For bullish sentiment, the strategy splits into **two** scenarios:

#1 Price Above NWOG

When the price retraces to NWOG and shows **reversal signs** in lower timeframes (Like **MSS**), it takes a **buy** position targeting the next liquidity level.

#2 Price Below NWOG

When the price approaches NWOG and **closes** above it, use this level as price **support** for long trades.



Schematic of Buy Trades in New Week Opening Gap (NWOG)

The EUR/USD chart on the 1-hour timeframe illustrates the behavior of NWOG in an uptrend.



Bullish Trading with NWOG (New Week Opening Gap)

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Bearish NWOG Trading

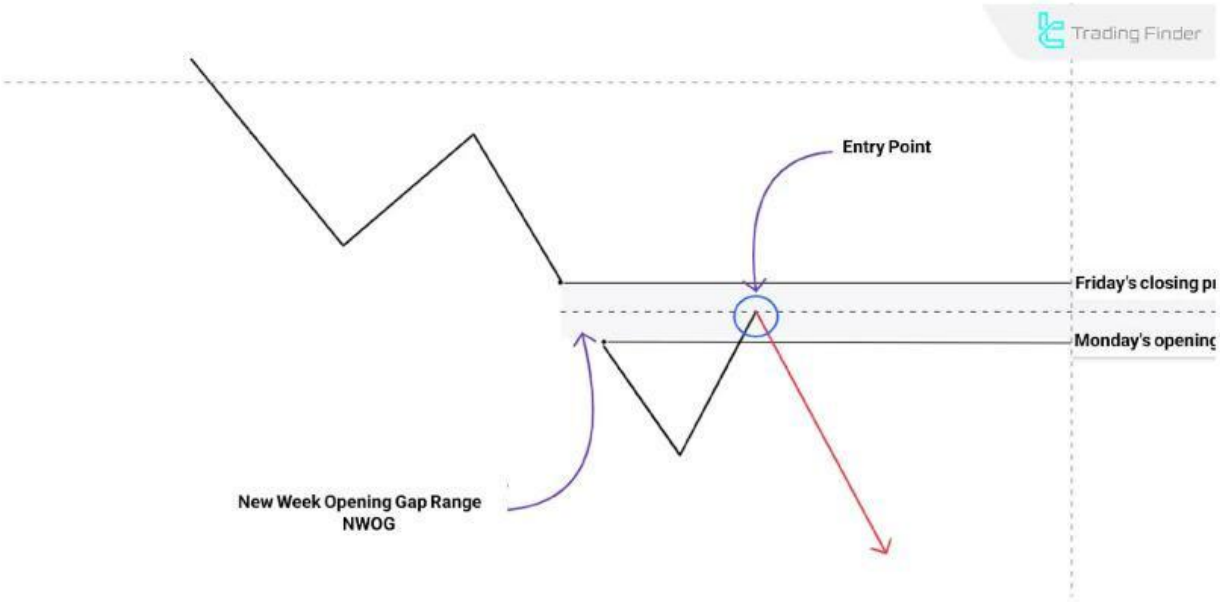
For bearish sentiment, the strategy splits into two scenarios:

Price Below NWOG

When the price retraces to NWOG and shows **reversal signs** in lower timeframes, take a **sell** position targeting the **next liquidity level**.

Price Above NWOG

When the price approaches NWOG and **closes** below it, use this level as price **resistance** for short trades.



Schematic of Sell Trades in New Week Opening Gap (NWOG)

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The AUD/USD chart on the 1-hour timeframe illustrates the behavior of NWOG in a downtrend.



Bearish Trading with NWOG (New Week Opening Gap)

Comparison of Markets Using NWOG

NWOG's performance in different markets is as follows:

Forex	Weekly gaps tend to fill quickly
Stock gaps	Gaps are typically tied to company-specific news
Commodities	Global events significantly impact gaps
Cryptocurrencies	Irregular gaps occur due to the 24-hour nature of the market
Futures	Gaps are key indicators for identifying critical liquidity zones
Indices	Weekly gaps are more predictable than other markets

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source:

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