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# Nasdaq-100 Pre-Market Indicator

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## What Is the Nasdaq-100 Pre-Market Indicator (PMI)?

The Nasdaq-100 Pre-Market Indicator (PMI) reflects trading activity based on [pre-market](#) open prices for the [Nasdaq 100 Index](#), and gives an indication of the opening price for the index each trading day.

Nasdaq developed the indicator to give investors and traders a better view of market activity prior to the official open at 9:30 a.m. EST, based on actual price and volume data for Nasdaq 100 stocks.

### KEY TAKEAWAYS

- The Nasdaq-100 Pre-Market Indicator (PMI) helps investors gauge pre-market trends, based on market reaction to overnight news, and uses these trends to help predict the opening price for the index.
- The PMI uses the same calculation employed by the Nasdaq 100 index during regular market hours.
- It is based on the last sale prices of the Nasdaq 100 stocks during pre-market trading, which begins at 4 a.m. EST and lasts until the market open.

# Nasdaq-100 Pre-Market Indicator

*Full Bio*

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## Understanding the Nasdaq-100 Pre-Market Indicator (PMI)

Some of the most important market moves can take place outside of the 9:30 a.m to 4 p.m. EST (Eastern Standard Time) regular trading session of the New York Stock Exchange ([NYSE](#)) and [Nasdaq](#).

The often-volatile pre-market trading session is widely followed to gauge the market outlook ahead of the regular open. Price volatility is driven by forces outside the regular trading session, and knowing how to trade stocks and futures during this period is an opportunity for investors looking to profit. After close is important as well, as investors take stock of the day and make trades that might have been too volatile directly at the close.

The Nasdaq-100 Pre-Market Indicator (PMI) provides direct insights for Nasdaq 100 stocks but is also an important tool to gauge pre-market sentiment for the overall stock market. This is because index components include well-known and heavily traded [large caps](#) such as Amazon.com, Apple, Netflix, Google, Meta (formerly Facebook), Alphabet, Intel, Microsoft, and Qualcomm. The Nasdaq 100 PMI is, therefore, useful to many market participants. It also helps traders assess the market's level of overall activity and the degree of technical price [support](#).

The Nasdaq 100 comprises the top 100 domestic and international non-financial companies listed on the Nasdaq in terms of market capitalization. Major industry groups represented include computer hardware and software, industrials, biotechnology, and telecommunications.

## Pros and Cons of the Nasdaq-100 Pre-Market Indicator

The Nasdaq 100 PMI is especially useful to traders, and soundly beats the old way of doing things: Prior to its introduction in the year 2000, traders relied on futures contracts and individual pre-market stock trades to try and figure out where the index might open. This took both time and effort to decipher, so the Nasdaq 100 PMI eliminated needless work prior to the market open.

Also, the indicator uses editing logic to filter out bad trades and thus provide a more accurate reading of market trends than traders might determine on their own. For this reason, the Nasdaq 100 PMI is used both by those who trade individual securities, as well as index ETFs like the [QQQs](#).

The indicator is not utilized by long-term investors nearly as often, however. Given their longer holding periods, many investors have little need to know where the Nasdaq 100 or the general market might open. As a result, watching either the Nasdaq 100 PMI or its sister indicator, the Nasdaq 100 After Hours Indicator (AHI), might not be all that important, unless investors happen to be making portfolio changes that particular day.

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