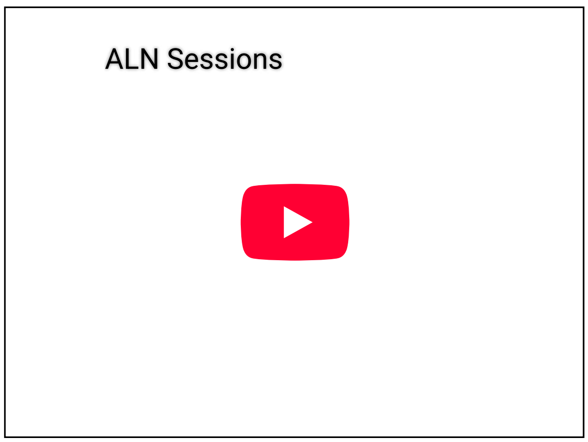
ALN Sessions

"ALN Sessions" looks at how the Asia and London sessions trade, and based off of the pattern that is generated, what historically happens during the New York Session.

The below metrics were calculated from a 10yr sample, Aug-2015 to Aug-2025. Times listed are in Eastern Standard.



Defining The Sessions

First lets define the three sessions we will be looking at, which are the Asian session, London session, and New York session. While others in the trading space may define these session differently, below is how I define them.

Asian Session:

The actual Asian market hours are from 8pm to 2am eastern.

London Session:

Technically the European market hours run from 3am to 11:30am EST. But for the purpose of this statistic, I will be start the London session when the Asian session ends, at 2am EST, to account for the pre-market volume that begins to flow in from the London session traders. Additionally, I end the London session at 8am, which is when the New York session pre-market picks up the volume.

New York Session:

The New York market hours are 9:30am to 4pm EST. But for the purpose of this statistic, I will be starting the New York session when the London session ends, at 8am EST, to account for the pre-market volume that begins to flow in from the New York session Traders. This New York session will end normally, at 4pm EST.

To summarize the sessions...

- Asian Session
  - 8pm (prior day) to 2am EST
- London Session
  - 2am to 8am EST
- New York Session
  - 8am to 4pm EST

London Engulfs Asia (Pattern 1)

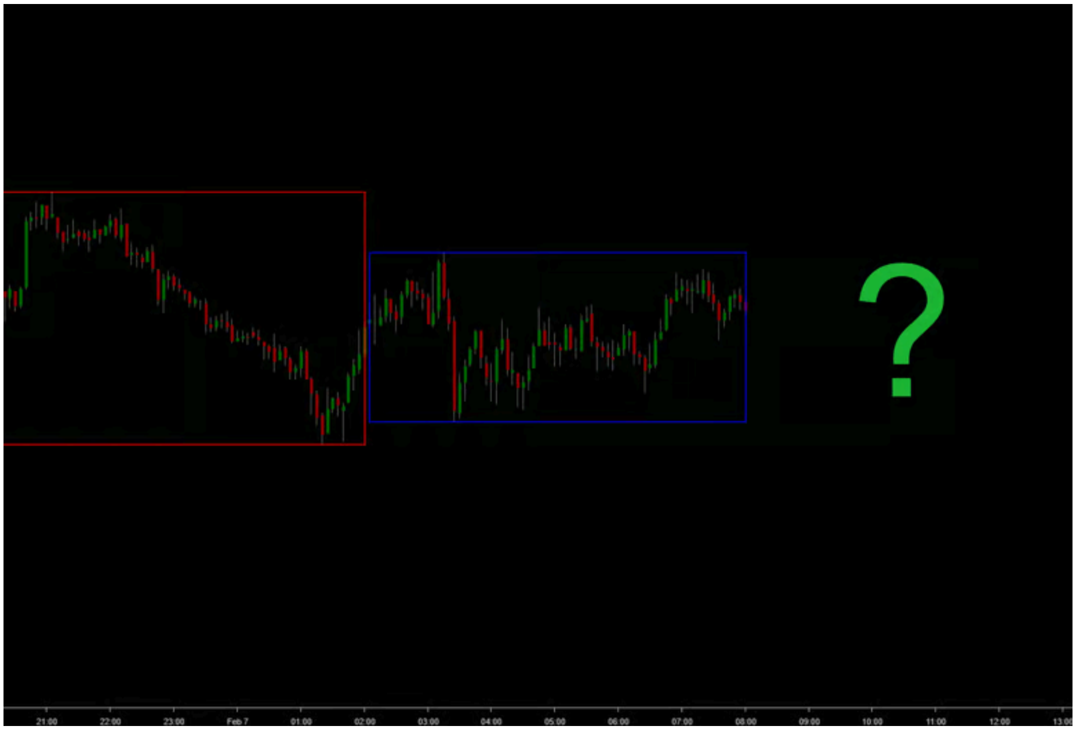
To start, we see if the London session traded within a range that broke both sides of the Asian session, otherwise known as engulfing. This would look like the following example below (click to enlarge).

Over the last 10 years, here are the historical outcomes regarding the New York session, based on the prerequisite above.

1. 98% of the time New York broke at least one side of London (High or Low).
2. When New York took London High first, London Low was only breached 44% of the time.
3. When New York took London Low first, London High was only breached 45% of the time.
4. 43% of the time New York engulfed the overnight session, taking both sides of London.

Asia Engulfs London (Pattern 2)

To start, we see if the London session traded inside the Asian session. This does not happen often, in fact over the last 10 years this has happened 168 times out of 2,490 trading sessions, or roughly 7% of the time. This would look like the following example below (click to enlarge).



Over the last 10 years, here are the historical outcomes regarding the New York session, based on the prerequisite above.

1. 95% of the time....New York broke the London High or London Low.
2. 91% of the time....New York broke the Asia High or Asia Low.
3. 39% of the time....New York engulfed the overnight session, breaking both sides of Asia.

London Partially Engulfs Upwards (Pattern 3)

To start, we see if the high of London broke the high of Asia, but the low of London remained inside of Asia. This would look like the following example below (click to enlarge).

Over the last 10 years, here are the historical outcomes regarding the New York session, based on the prerequisite above.

1. 79% of the time....New York broke the London high (at a minimum).
    1. But if London low was taken first, then London high probability reduced to 50%.
2. 63% of the time....New York broke the London low (at a minimum).
    1. But if London high was taken first, then London low probability reduced to 48%.
3. 51% of the time....New York broke the Asian low (at a minimum).
4. 35% of the time....New York engulfed the overnight session, taking the London High and Asia Low.

London Partially Engulfs Downwards (Pattern 4)

To start, we see if the low of London broke the low of Asia, but the high of London remained inside of Asia. This would look like the following example below (click to enlarge).

Over the last 10 years, here are the historical outcomes regarding the New York session, based on the prerequisite above.

1. 73% of the time....New York broke the London low (at a minimum).
    1. But if London high was taken first, then London low probability reduced to 43%.
2. 66% of the time....New York broke the London high (at a minimum).
    1. But if London low was taken first, then London high probability reduced to 41%.
3. 54% of the time....New York broke the Asian high (at a minimum).
4. 33% of the time....New York engulfed the overnight session, taking the London Low and Asia High.