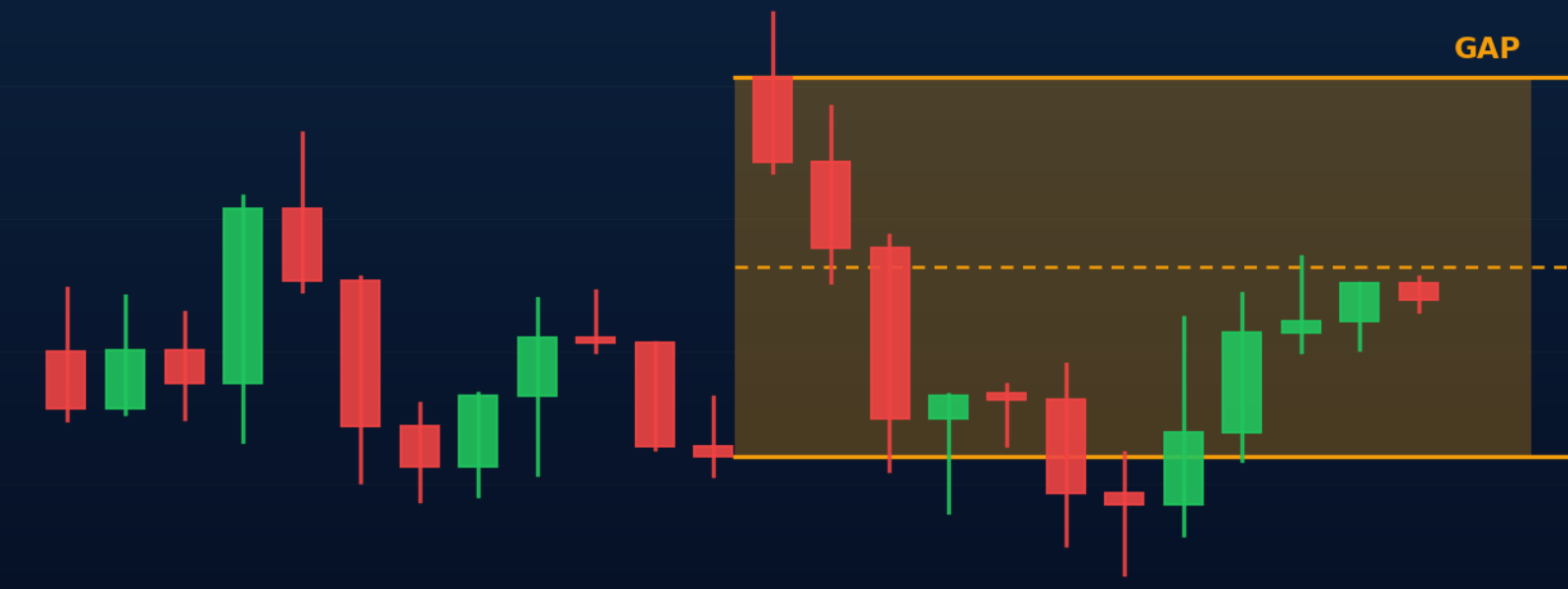
TRADING MASTERCLASS

NWOG & NDOG

New Week Opening Gap | New Day Opening Gap



A complete visual guide to opening gaps:
what they are, how to mark them, and how to trade them.

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How to use this guide

Read chapters 1 to 5 to learn the vocabulary, then chapters 6 to 9 to learn the method. Every chart in this guide is a **hand-built teaching illustration** (not live market data), so you can focus on the structure of the idea rather than on one particular market. The concepts come from the ICT / Smart Money Concepts community; treat them as a framework to test, not as a guarantee.

1 Why opening gaps matter

The big idea in one page

Markets do not trade around the clock without a pause. Futures markets, which are the reference for many index traders, close for one hour every day and for the whole weekend. When the market re-opens, the first price is often different from the last price before the break. That difference is a **gap**, and the two most important ones have their own names:

- **NWOG (New Week Opening Gap)**: the gap between the Friday close and the Sunday open.
- **NDOG (New Day Opening Gap)**: the gap between one day's close and the next day's open.

Why should a trader care? Because a gap shows two things at once: **where the market left off** and **where it chose to start again**. The space in between is a zone where no trading took place. Traders who follow this method treat that empty zone as a map of areas price is likely to revisit, respect, or use as a reference for where the next move might be headed.

Key takeaways

• A gap is an area with no trading between the old close and the new open.
• Each gap has three levels: **high, low and the 50% midpoint (Consequent Encroachment, CE)**.
• The gap works as **support or resistance**, and as a **magnet** for price if it is still open.
• The gap is a **location**, not a signal. You still need bias, timing and confirmation.

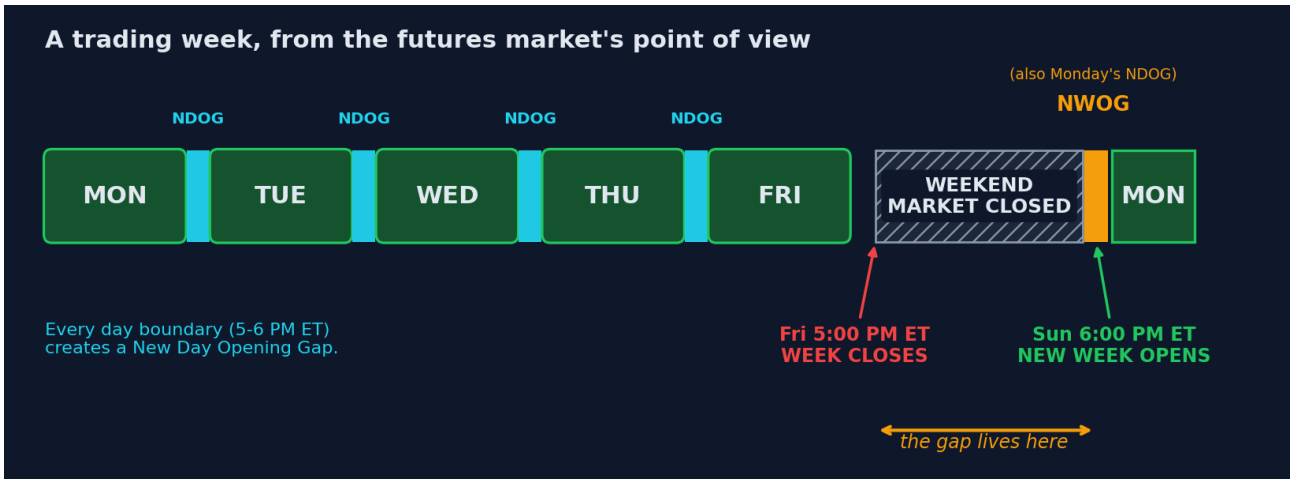


Figure 1. A week on the futures clock. Every day boundary makes an NDOG; the weekend makes the NWOG.

2 The market clock

How and why gaps are born

CME Globex futures (for example E-mini S&P 500 and Nasdaq) trade almost 24 hours a day. The week begins on **Sunday at 6:00 PM New York time (ET)** and ends on **Friday at 5:00 PM ET**. Each weekday there is also a short pause between **5:00 PM and 6:00 PM ET**. During these pauses, news arrives, other markets keep moving, and orders build up. When trading resumes, price can jump to a new level.

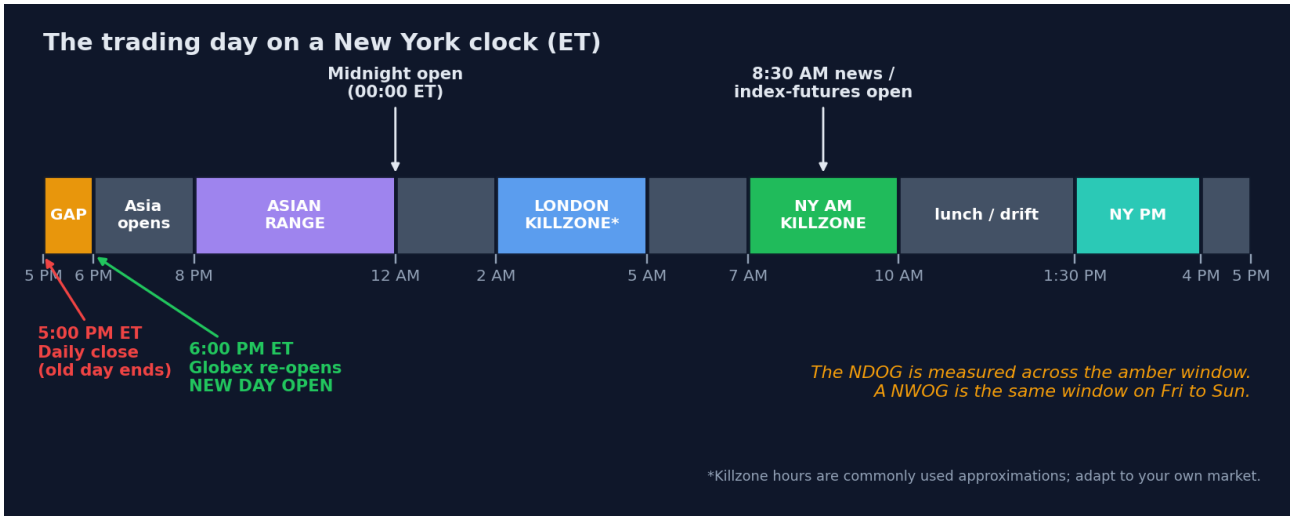


Figure 2. The New York clock. The amber block is where an NDOG is measured; on Fri-Sun the same block becomes the NWOG.

A note about forex and CFDs

Spot forex trades from Sunday evening to Friday afternoon (New York), and brokers run their own servers and quote feeds, so the weekend gap is often small and differs from broker to broker. Many students of this method therefore mark gaps on **index futures** (NQ, ES, YM) or on charts whose session times match the 5 PM close / 6 PM open. Always set your chart timezone to New York so the times line up.

3 NWOG: New Week Opening Gap

The weekly footprint left by the weekend

The **New Week Opening Gap** is the range between the **last price of Friday's session (5:00 PM ET)** and the **first price of the new week (Sunday 6:00 PM ET)**. Because the market was closed for about two days, the weekend's news, sentiment and positioning are all packed into this single jump.



Figure 3. Anatomy of a bullish (left) and bearish (right) NWOG.

Level	Where it is	Why traders watch it
Gap High	The higher of Friday close and Sunday open	First boundary price meets when it comes back from above (bullish) or the last barrier when it comes from below (bearish).
Gap Low	The lower of Friday close and Sunday open	Last line of defence for a bullish gap; invalidation area for the idea.
CE (50%)	The midpoint of the gap (Consequent Encroachment)	The most watched level: a fair-value point where price often reacts.

Bullish NWOG: Sunday opens *above* the Friday close. The gap sits below the market as potential **support**.
Bearish NWOG: Sunday opens *below* the Friday close. The gap sits above the market as potential **resistance**.

4 Why price reacts to gaps

The logic behind the levels

No one can prove why a level works, but the reasoning followers give is consistent and worth understanding:

- **Unfinished business.** Inside the gap, price moved instantly without trading. Many view this as an inefficiency that the market may want to revisit and rebalance.
- **A shared reference.** Because the Friday close and Sunday open are objective, visible prices, lots of traders (and algorithms) mark the same lines. Crowded attention creates reactions.
- **Fair value at the middle.** The 50% point (CE) represents balance between buyers and sellers of the gap, so many traders place orders or watch for reversals there.
- **Liquidity.** Orders such as stops and limits cluster around obvious levels. Price is often drawn toward these levels, then reacts once the orders have been taken.

Stay honest with yourself

Gaps do not always hold. Sometimes price slices through with no pause, and sometimes it never returns. That is why this guide teaches gaps as **areas of interest** that you combine with bias, timing and risk control, not as automatic buy/sell buttons.

5 NDOG: New Day Opening Gap

The same idea on a daily rhythm

The **New Day Opening Gap** is the range between the **close of the previous trading day (5:00 PM ET)** and the **open of the new day (6:00 PM ET)**. It is measured exactly the same way as the NWOG, but it happens every day, so you get a fresh set of levels five times a week.

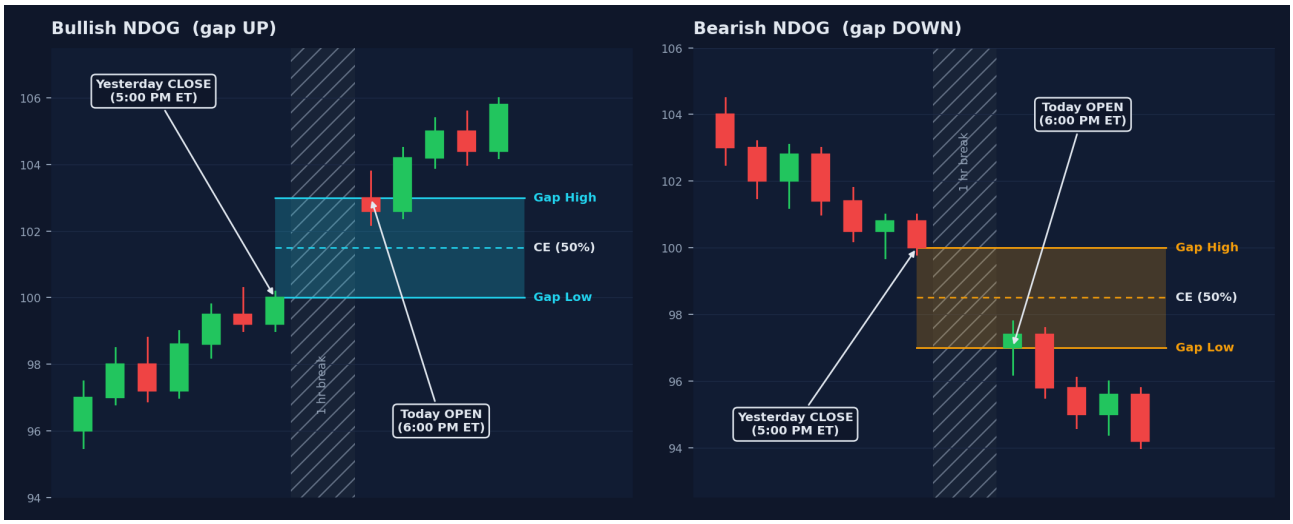


Figure 4. Anatomy of a bullish (left) and bearish (right) NDOG.

Because the daily pause is only one hour long, NDOGs are usually **smaller** than NWOGs and are best used for **intraday** decisions: where to look for a reversal during the London or New York session, or where price might be drawn to during the day. On Monday, the NDOG and the NWOG are the same gap, which makes Monday's gap extra important to many traders.

	NWOG	NDOG
Full name	New Week Opening Gap	New Day Opening Gap
Measured between	Friday 5 PM close and Sunday 6 PM open	Daily 5 PM close and 6 PM open
How often	Once a week	Once a day (Mon-Fri)
Typical size	Larger (weekend news)	Smaller (one-hour pause)
Best for	Weekly and swing context, bigger targets	Intraday entries and daily bias
Strength	Usually carries more weight and lasts longer	Fades faster, but appears more often

6 Marking gaps step by step

A repeatable routine you can do in five minutes

1. Open a **futures or index chart** and set the timezone to **New York (ET)**.
2. Switch to the **1-hour or 15-minute** timeframe and find the last candle before 5:00 PM ET (Friday for NWOG, any day for NDOG).
3. Note the **close** of that candle. This is one edge of the gap.
4. Find the first candle after 6:00 PM ET (Sunday for NWOG) and note its **open**. This is the other edge.
5. Draw a **rectangle** between the two prices (high and low of the gap).
6. Draw a **dashed line at 50%** of the rectangle. This is the CE.
7. **Extend** the box to the right. Use amber for NWOG and cyan for NDOG so you can tell them apart at a glance.
8. Stop extending once price has traded fully **through** the gap and closed beyond it; the gap has been mitigated.

Pro tip

Mark the last two or three NWOGs and the last five NDOGs, no more. Too many zones make the chart noisy and every price looks like it is 'at a level'.

7 How price behaves around a gap

Three reactions you will see again and again



Figure 5. Bullish gap (amber zone) with three common reactions when price returns.

- **Edge reaction**: price only touches the gap high and turns. This is a sign of strong momentum and a strong bias.
- **CE reaction**: price dips to the 50% level, then rejects. This is the classic and most frequently traded reaction.
- **Full close-through**: price trades through the whole gap and closes beyond the gap low. The gap has failed as support, and it is often a warning that the bias may be changing. You then treat the zone as potential resistance or simply step aside.

8 Trade playbook and two worked examples

From map to trade

The playbook in five rules

1. **Trade with bias.** Bullish gaps are for buying dips when your higher-timeframe view is bullish; bearish gaps are for selling rallies when it is bearish.
2. **Let price come to you.** Do not chase the gap. Wait for a return into the zone, ideally to the CE.
3. **Respect time.** Reactions are most reliable during active sessions such as the London and New York killzones.
4. **Need confirmation.** Look for a rejection candle, a market-structure shift on a lower timeframe or a fair value gap forming.
5. **Define risk first.** The stop goes beyond the far side of the gap, and the target goes to the next liquidity pool.

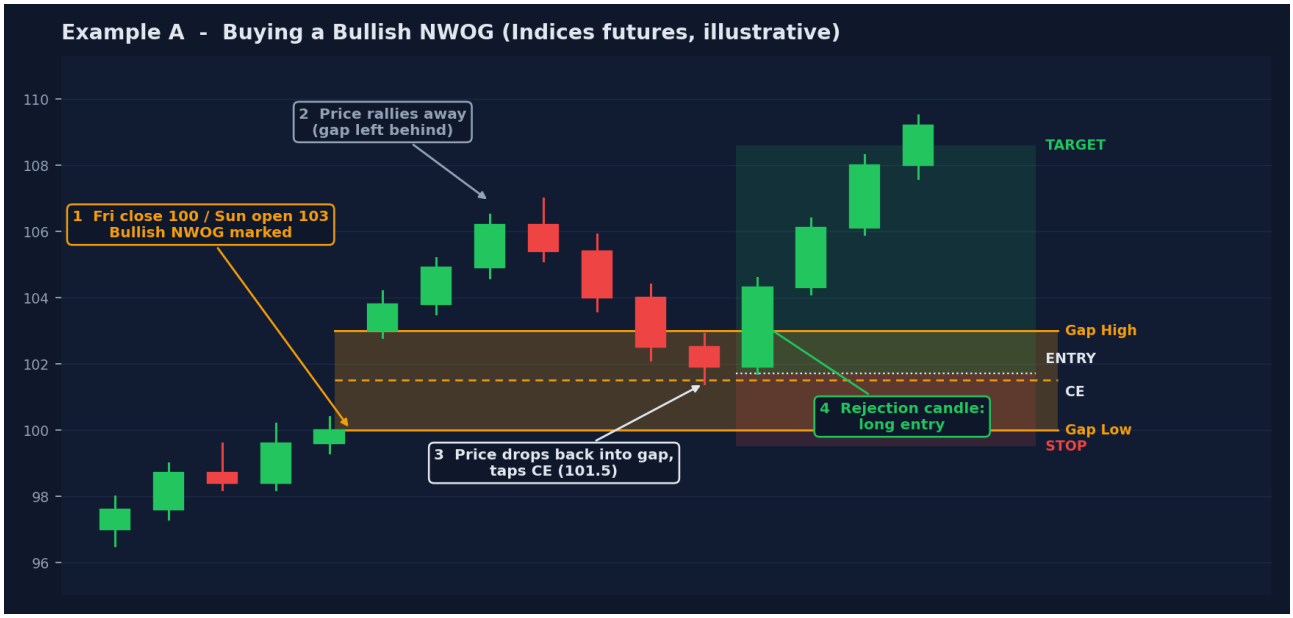


Figure 6. Example A: a bullish NWOG bought at the CE with the stop below the gap low (illustrative, not live data).

What happened. Friday closed at 100 and Sunday opened at 103, leaving a bullish NWOG from 100 to 103 with a CE at 101.5. Price rallied, pulled back into the gap, tapped the CE and printed a strong rejection candle. The trader entered near 101.7 with a stop at 99.5, just beyond the gap low. The target was about 108.6, the previous swing high area. That is roughly 2.2 points of risk for 6.9 points of potential reward, or about **3 to 1**.

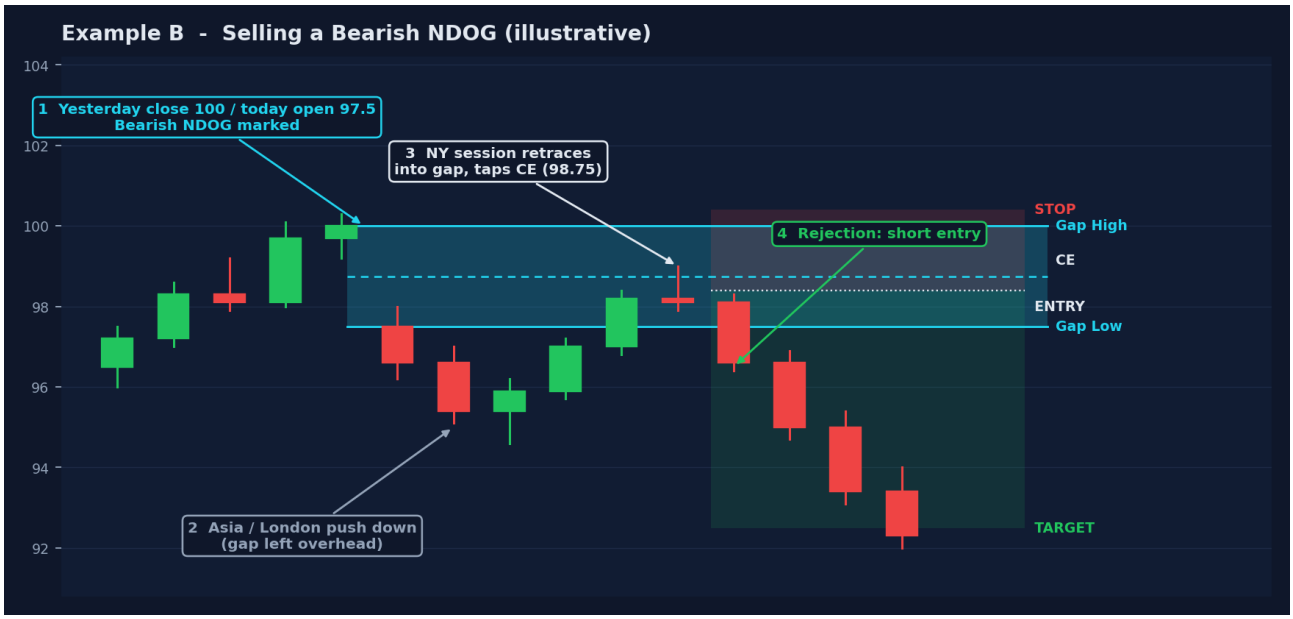


Figure 7. Example B: a bearish NDOG sold at the CE, stop above the gap high (illustrative, not live data).

What happened. Yesterday closed at 100 and today opened at 97.5, creating a bearish NDOG with a CE at 98.75. The market sold off through Asia and London, then retraced into the gap during New York hours, tapped the CE and rejected. The short entry was near 98.4, the stop at 100.4 (above the gap high), and the target near 92.5. Risk was about 2 points against roughly 5.9 for the reward, close to **3 to 1**.

9 Stacking gaps and adding confluence

One zone is a hint; several agreeing zones are a plan

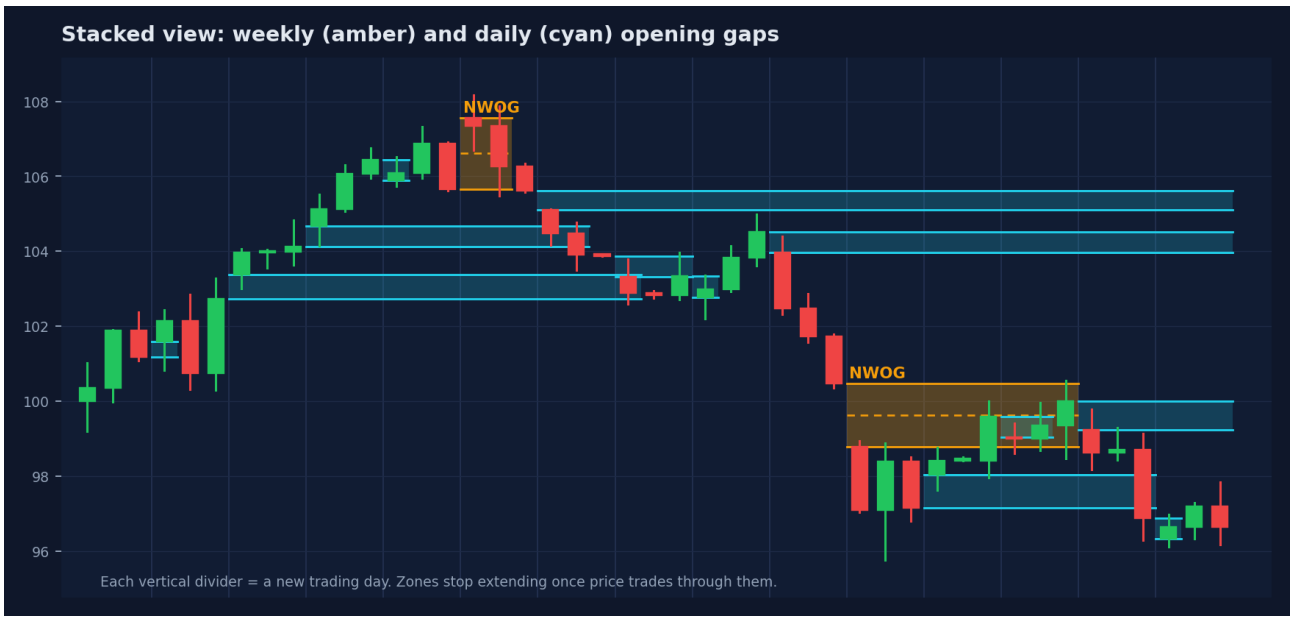


Figure 8. Weekly (amber) and daily (cyan) gaps shown together on a teaching chart with simulated prices.

On a real chart you will often see several gaps around the same price. When an NWOG, an NDOG and another reference overlap, the zone becomes more meaningful. Useful partners are:

- **Fair Value Gaps and order blocks** on the 15-minute or 1-hour chart lining up with the CE.
- **Previous day and week highs and lows**, which are common liquidity targets.
- **Session opens** such as the midnight open and the 8:30 AM ET open.
- **A higher-timeframe trend**: gaps that agree with the daily and weekly direction tend to be cleaner.

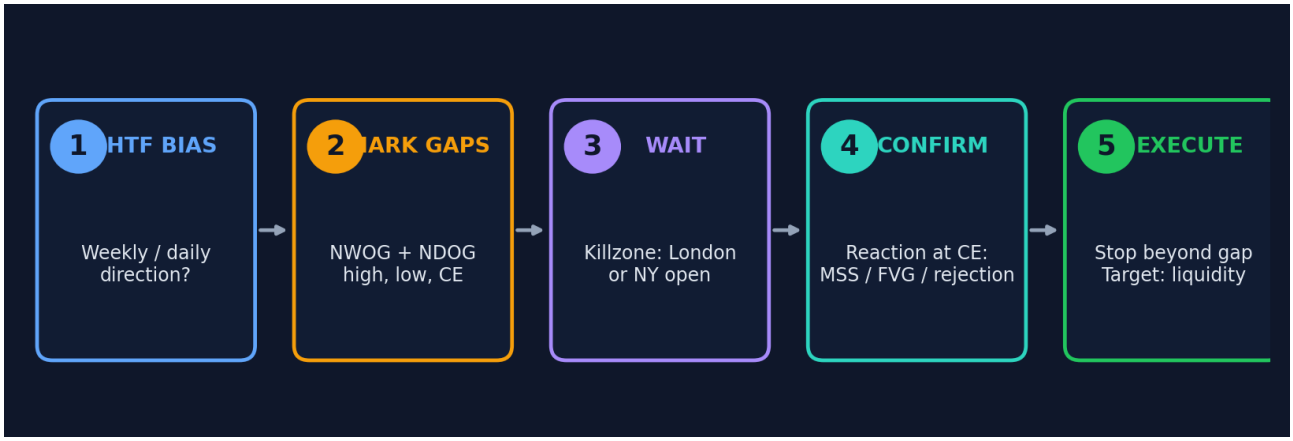


Figure 9. The five-step workflow: bias, mark, wait, confirm, execute.

10 Risk, mistakes, checklist and practice plan

Habits that protect your account

Risk management

- Risk a small, fixed percentage of your account per trade (many traders use **0.5% to 1%**).
- Place the stop beyond the **far edge of the gap** plus a small buffer for volatility.
- Aim for at least **2R** of potential reward; only take setups where the target is realistic.
- Avoid entering right before high-impact news (CPI, NFP, FOMC), when spreads and swings can be extreme.
- Stop trading for the day after your planned maximum loss, and review, do not revenge trade.

Common mistakes

Mistake	Better approach
Marking every gap on the chart	Keep the last 2-3 NWOGs and 5 NDOGs only
Wrong timezone, so the gap is drawn in the wrong place	Set the chart to New York time and verify the 5 PM / 6 PM candles
Entering the moment price touches the zone	Wait for confirmation such as a rejection or a shift in structure
Ignoring the higher-timeframe bias	Trade gaps that agree with the daily/weekly direction
Holding on after a full close-through	Treat it as a failed idea and exit or reassess
Using tiny, meaningless gaps	Focus on gaps that are clearly visible relative to recent average range

Pre-trade checklist

[ ]	Chart timezone is New York and the gap edges are correct
[ ]	Higher-timeframe bias is clear (bullish, bearish or neutral)
[ ]	The gap agrees with bias, and is still open or just mitigated
[ ]	It is an active session (London / New York) and no major news is imminent
[ ]	I have a confirmation signal, not just a touch of the level
[ ]	Stop, target and position size are set, with at least 2R of reward

Your 7-day practice plan

Day	Exercise
1	Mark the last five NWOGs on a futures chart and note the CE of each.
2	For each one, record whether price reacted at the edge, the CE, or closed through.

Day	Exercise
3	Mark the last ten NDOGs and repeat the record-keeping.
4	Compare the results with the higher-timeframe bias on those days.
5	Add one confirmation tool (for example a fair value gap) and see if it filters out weak reactions.
6	Paper trade one setup per day using the checklist above.
7	Review the journal: what worked, what did not, and which sessions gave the best reactions.

11 Glossary and disclaimer

Quick reference

Term	Meaning
NWOG	New Week Opening Gap: Friday 5 PM ET close to Sunday 6 PM ET open.
NDOG	New Day Opening Gap: daily 5 PM ET close to 6 PM ET open.
CE	Consequent Encroachment: the 50% midpoint of a gap or imbalance.
Mitigation	Price trading back through a gap so that the zone is filled or invalidated.
FVG	Fair Value Gap: a three-candle imbalance where price moved so fast it left a gap between candle 1 and 3.
Killzone	A time window with high liquidity and volatility, for example London and New York opens.
Liquidity	Clusters of resting orders, usually near obvious highs, lows and levels.
R (R-multiple)	Reward divided by the amount risked; 2R means a profit of twice the risk.
Bias	Your expected direction of price on a higher timeframe.

Disclaimer

This document is for educational purposes only. It is not financial advice, and no strategy in it is guaranteed to work. Trading futures, forex and CFDs carries a high risk of loss. The charts are illustrations created for teaching, and the trade examples are hypothetical. Always test ideas on a demo account first, and speak to a licensed financial adviser before risking real money.