

FOREX TRADING [PDF]

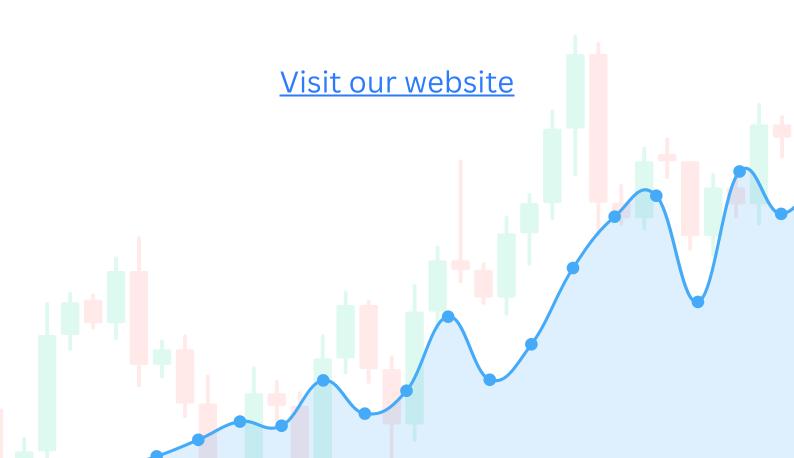




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What are ICT Kill Zones?

In the forex market, ICT Killzones refer to distinct trading intervals with elevated activity and substantial trade volumes. During these windows, volatility spikes considerably. Many traders optimize their market entries and exits to coincide with intensified price fluctuations. These critical periods are based on the international forex trading hours (Sydney, Tokyo, London, and New York)

Four primary kill zones stand as pivotal periods during which both trading volume and market volatility tend to surge. These periods align closely with the trading sessions of institutional traders on major trading floors worldwide, thereby shaping market trends. And you'll notice intensified potential for volatility, especially during ICT Killzones' overlapping times.

What are the Primary ICT Killzone Times?



The four main ICT Kill Zones are the Asian Kill Zone, the London Kill Zone, the New York Kill Zone, and the London Close Kill Zone. Each offers distinct attributes and opportunities for successful trades.

Let's take a closer look at each:

Asian Kill Zone

The period between 19:00 EST and 22:00 EST is known as the Asian Kill Zone. This time remains consistent throughout the winter and summer seasons. The active currency



pairs during this timezone are the AUD, NZD, and JPY currency pairs, which also derive some volatility from the Australian and New Zealand economic data releases.

The Asian Kill Zone corresponds to the Tokyo session, which is the first major market to open in the 24-hour forex trading cycle. You'll often find lower liquidity and tighter trading ranges during this interval compared to the London and New York sessions. And it's also a common strategy for traders to use this Asian Kill zone to gauge the market's initial direction for the day.

One thing that makes the Asian Kill Zone special is that scalpers can aim for gains ranging from approximately 15 to 20 pips by exploiting <u>range trading strategies</u>.

London Kill Zone

Occurring from 2:00 AM to 5:00 AM Eastern Time, the ICT London Kill Zone is a pivotal window for traders of EUR, GBP, and CHF currency pairs. It aligns with the opening of the London session, the most liquid forex market session. It is especially notable for its influence on market direction. It frequently sets the day's low point in bullish markets and, conversely, marks the high point during bearish conditions.

For those seeking to spot potential breakouts or directional changes, particularly within currency pairs that tend not to fluctuate much overnight, the London Kill Zone is your time.

New York Kill Zone

The New York Kill Zone occurs within the period of 8:00 AM and 11:00 AM Eastern Time. It coincides with the opening of the New York session, one of the most important trading periods of the day. In winter months, this is equivalent to 9:00 EST until 12:00 EST. In the summer months, it returns to the normal 8:00 AM to 11:00 AM Eastern Time. The significance of the New York Kill Zone lies in its overlap with the London trading session, which creates a pivotal opportunity for currency trades involving USD.

The New York Kill Zone is a particularly crucial interval for dealing with major currency pairs linked to the dollar index and seizing opportunities presented by heightened market activity. As a result, the session often lays claim to up to 30 to 40 pips in price movements. And because you might see a retracement of the London session in the New York kill zone, traders often scout for Optimal Trade Entry Pattern trades here.

London Close Kill Zone

The London Close Kill Zone spans from 11:00 EST to 13:00 EST, and in summer, it shifts earlier to run from 10:00 EST until 12:00 EST. This time frame is significant because it tends



to reflect price reversals as traders realign their positions before trading ceases for the day.

BONUS: Check the best currency pairs that can be traded during the London session

The ICT Kill Zones Comparison

Kill Zone	Timeframe (EST)	Characteristics	Strategy Considerations
Asian Kill Zone	7 PM – 10 P	* First major market to open (Tokyo session). * Lower liquidity and volatility. * Sets the tone for subsequent sessions.	* Suited for range- bound strategies. * Identify setups for the London session.
London Kill Zone	2 AM – 5 AM	* The most liquid session (London open). * High volatility and sharp price movements. * Overlaps with the end of the Asian session.	*Ideal for breakout strategies. *Focus on EUR, GBP, CHF pairs.
New York Kill Zone	7 AM – 10 AM	* High liquidity and volatility (New York open). * Overlaps with London session. * Key U.S. economic data releases.	* Trade news events. * Capitalize on trends from the London session.
London Close Kill Zone	11 PM – 1 PM	* Represents the final hour of the London session. * Lower liquidity as European markets close. * Potential for intraday trend reversals.	* Close positions from earlier sessions. * Look for trend reversals or consolidation.



How Does Daylight Saving Time Affect ICT Killzones?

Daylight Saving Time (DST) impacts ICT Kill Zones, as it alters when major financial markets open and close. Since Kill Zones are tied to specific market sessions, any shift in the clock can lead to changes in the timing of these high-liquidity periods.

The Asian session is generally less affected by DST since most Asian countries do not observe it. However, the relationship between the Asian session and the London session can be impacted. For example, when the UK moves an hour ahead in the spring, the overlap between the Asian and London sessions will shift by an hour, potentially affecting the liquidity during the latter part of the Asian Kill Zone.

The London Kill Zone is directly influenced by DST, as the UK and much of Europe observe this practice. When UK DST begins on the last Sunday in March, the London Kill Zone shifts one hour earlier in relation to other time zones. This change means traders outside of Europe need to adjust their trading schedules to match the new timing. And when the UK DST ends on the last Sunday in October, the Kill Zone shifts back, requiring another adjustment.

The New York session is also affected by DST, as the U.S. observes it. When the U.S. moves the clocks forward in the spring (specifically the second Sunday of March), the New York Kill Zone time starts an hour earlier. This might reduce the overlap with the London session if the UK has not yet transitioned to DST. Conversely, in the fall, the Kill Zone shifts back an hour on the first Sunday in November, which can increase the overlap with the London session.

How Do You Set Up ICT Killzones on Trading Platforms?

Popular trading platforms like TradingView and MetaTrader 4 (MT4) allow you to define these kill zones, but not by default. You would have to rely on indicators on these platforms to set your kill zones up.

Configuring ICT Killzones on TradingView

There are many Kill zones and Sessions indicators on the TradingView trading platform. All you need is to search for "sessions" or "kill zone" among the indicators, and you'll get more than enough.

However, one that's most commonly relied on by traders is the <u>LuxAlgo ICT KillZones</u> <u>Toolkit indicator</u>. The indicator also allows you to use other ICT concepts, such as <u>Fair Value Gaps</u> and <u>Market Structure Shifts</u>. But if we're being honest, there are so many



indicators to choose from that do the job quite well. So, just pick one, make sure the timing is configured appropriately, and go to town.

Using ICT Killzone Indicators on MT4

A cursory search on the internet will also reveal many free Killzone indicator options. Once you download one, you must transfer the specific indicator file into the designated folder for indicators within MT4 to initiate before you can use it.

If you have a hard time adding custom indicators to the MT4 or MT5, this piece will be of help:

Over To You

Understanding and leveraging ICT Killzones can significantly enhance the effectiveness of forex trading strategies as a day trader. But don't forget that it's only a concept. In addition to the ICT Killzones, you'll also need to piece many other concepts together to find your trading edge. Good luck.