

Gap - the gap the price chart or absence of a financial instrument price at some period of time. Gap indicates that there are no transactions for a particular currency pair at this time. Trade between the possible occurrence of gaps is rather risky because of the high probability of absence of the trader, ready that can to buy or sell something from you.

The most frequently Gap may appear on the chart during the release of important economic news: the new value of the discount rate, inflation and unemployment, etc. Or at the time between holidays, when the international currency market is not working. Thus, the gap can be seen in the morning, when the market opens after the weekend, when the price may be higher or lower than the market price, which was recorded last after the market closes at the end of the week. Some markets are more disposed to the appearance of gaps, others are less.

Formation gaps predicting is an important task for the trader, who in most cases, you should close all open trade positions. Here is an essential element of the most accurate tracking formation of gap and the exact time of its likely occurrence. Gap may be an important signal of a trend reversal if the price starts to move in the direction of formation of gap. This means that the market received important information, which is heavily influenced by forecasts of traders and investors who want to certain actions at the time. If the price returned to its previous state after the formation of a gap, then this is evidence of non-essential for market fluctuations.