

What is Pre-Open Market Session in NSE?

If you are trading in **NSE**, you must know that the regular trading hours are from 9:00 AM to 3:30 PM but recently, pre-open session was made available from 9:00 AM to 9:15 AM. To let you know what this pre-open market session is all about, its benefits and the like, read this article.



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Traders are very keen when looking at the first 15 minutes or the pre-open market session as they use this as an edge as they buy, sell and trade their stocks.

There are 2 types of orders available in the stock market, one is the limit order and the other one is the market order, to differentiate the two, read below

- Market Order
 - ✓ There is no price set for selling or buying a specified number of shares
 - ✓ Orders are made at the current price of the stock in the market
- Limit Order
 - ✓ There is a price set for selling or buying a specified number of shares

- ✓ Orders are only made if there is a price in the market available as specified

You also need to know that acquisition and merger announcements by a corporation or company, credit-rating downgrades, debt-restructuring, de-listing of stocks may all have impact on investors and these information are also available in the pre-open session.

This session offers huge benefits to investors, and to name some of the common reasons why investors see this favorable, read below:

- As a trader, you will have a glimpse of how the market will move before the actual trading starts, hence giving you a better edge on where to invest, sell and trade stocks
- Since you can learn the most current news about different companies and corporations during this time, you would have an idea of any changes in the prices of their shares
- For investors, deciding where to invest and improving their investment portfolio is easy if they consider checking on the pre-open market session before the regular session starts

Basically, the pre-open market session is divided in three parts, and to give you specific information of each, read below:

- Order entry session which happens for about 8 minutes, from 9:00 to 9:08 in the morning

Tasks to complete from this sessions are:

- ✓ Placing orders to sell and buy stocks both for market and limit orders
- ✓ Cancel or modify orders can also be done during this time

Once the 8 minute session is over, there will be no orders to be accepted

- Order matching session which will happen for 4 minutes, from 9:08 to 9:12 in the morning

Tasks to be completed under this timing are:

- ✓ Order matching and order confirmation will occur during this time
- ✓ Price identification using call auction method or equilibrium price determination

- ✓ Placed orders are confirmed and verified using the price identification method
- ✓ Calculating opening prices of stocks as the normal session starts to happen during this time as well

During this duration, no one can sell, buy, cancel or modify orders.

- Buffer session which will start from 9:12 until 9:15 in the morning (3 minutes)

Tasks to be completed under this timing are:

- ✓ Buffer session
- ✓ This is when the transition from the pre-market to the regular market happens

This session is utilized when there are abnormalities that occur between the first and second sessions.

Although, there are a lot of benefits and advantages using the pre-open market session, some traders would still prefer to trade between the regular sessions. Taking advantage of this session can give you a better understanding of the [market trends today](#).