

TOKYO FIX

In **Forex trading**, the **Tokyo Fix** (also called the *Tokyo Fixing* or *Tokyo FX Fixing*) refers to a **daily currency reference rate** set by major Japanese banks—particularly during the **Tokyo trading session**, around

9:55 AM Tokyo time (00:55 GMT / 19:55 EST previous day).

Timing

- Local time: **9:55 AM Tokyo**
- GMT: 00:55 AM
- New York (EST): 7:55 PM (previous day)

This timing is important because many **Japanese corporates**, **importers/exporters**, and **institutional investors** settle their daily FX transactions at this fixed rate.

Purpose

The Tokyo Fix is used to:

- Provide a **benchmark exchange rate** for yen-related transactions.
 - Help corporations and banks **price conversions** (e.g., USD/JPY) for accounting or hedging.
 - Serve as a **settlement reference** for contracts, fund valuations, and interbank trades.
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How It Works

1. Around **9:55 AM**, banks collect and average exchange rate quotes (especially USD/JPY).
 2. The rate reflects **supply and demand** conditions just before and during that time.
 3. It becomes the **official daily fixing rate**—often published by the **Bank of Tokyo-Mitsubishi UFJ** or other large institutions.
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Market Impact

- Traders often notice **increased volatility** in **USD/JPY**, **EUR/JPY**, and **GBP/JPY** near 9:50–10:00 AM Tokyo time.
 - Corporates needing to buy/sell large volumes of yen can **push the price sharply** in one direction.
 - Professional traders sometimes position themselves **ahead of the fix**, anticipating the flows.
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Example

If a large Japanese insurer needs to convert **USD to JPY** for monthly settlements:

- They'll execute the trade at the **Tokyo Fix rate**.
- Before 9:55 AM, there might be **heavy yen buying**, causing **USD/JPY to fall**.
- After the fix, prices often **retrace** as flows subside.



Summary Table

Feature	Description
Name	Tokyo Fix (Tokyo 9:55 Fixing)
Time	9:55 AM JST (00:55 GMT)
Main Pair	USD/JPY
Users	Banks, exporters/importers, institutions
Effect	Short-term volatility due to corporate order flows



1. Understanding the Flow Behind the Fix

The **Tokyo Fix (9:55 AM JST)** is driven by **real corporate demand**, not speculation.

This means the flows are often **predictable in direction**, but **brief in duration**.

Examples of typical flows:

- Japanese exporters (Toyota, Sony, etc.) **sell USD / buy JPY** to bring profits home → pushes **USD/JPY** ↓
- Japanese importers (energy, manufacturing, etc.) **buy USD / sell JPY** to pay foreign suppliers → pushes **USD/JPY** ↑

The net effect depends on **which side has larger flows that day**.



2. Days with Stronger Fix Flows

Some days are known for **heavier Tokyo Fix activity**:

- **End of month / quarter / fiscal year** – corporations rebalance books.
- **Days after U.S. data releases** – corporates hedge currency exposure.
- **Days with large Nikkei / bond moves** – Japanese funds adjust FX hedges.

You'll often see a **surge in USD/JPY volume around 9:50–10:00 AM JST**.



3. How Traders Anticipate the Move

Experienced traders (especially in London or New York desks staying late) look for **early clues**:

1. Pre-Fix Price Action (9:30–9:50 AM JST)

- If USD/JPY drifts lower → possible exporter flows (USD selling).
- If USD/JPY drifts higher → possible importer flows (USD buying).

2. Liquidity Signs

- Sudden widening of bid/ask spread around 9:53–9:55 means the fix is near.

3. News & Macro Context

- If oil prices surged overnight → more USD demand from Japanese importers.



4. Trading Strategies

Here are the most common trader playbooks around the Tokyo Fix:

A. Pre-Fix Momentum Play

- **Goal:** Ride the directional flow before 9:55 AM.
- **Method:**
 1. Identify pre-fix bias (USD buying or selling).
 2. Enter 5–10 minutes before 9:55 AM.
 3. Exit right *before or just after* 9:55 AM.
- **Note:** Move is often *sharp but brief*.



Pro tip: Use tight stops — once the fix ends, the move often reverses quickly.

B. Post-Fix Fade (Reversal Play)

- **Goal:** Exploit mean-reversion after large fix-driven moves.
- **Method:**
 1. Wait until the fix is complete (after 10:00 AM JST).
 2. If USD/JPY spiked 20+ pips during the fix, fade (trade opposite).
 3. Take profit when price normalizes to pre-fix levels.



Why it works: After large corporate orders finish, **liquidity returns** and **price retraces**.

C. No-Trade Zone (Risk-Averse Traders)

- **Goal:** Avoid slippage and spread widening.
- **Method:**
 - Stay flat between 9:45–10:05 AM JST.
 - Resume normal trading after the fix.



Institutional traders often pause algorithmic systems around this period.



5. Example Scenario

Let's say on **December 5 2025**, USD/JPY trades at **152.20** at 9:40 AM JST.
Energy prices have spiked, implying Japanese importers will need more USD.

9:45 AM JST → USD/JPY drifts up to 152.35.

9:55 AM JST (Fix) → sudden buying spike to 152.55.

10:05 AM JST → flows finish, price retraces to 152.25.

- Traders who bought pre-fix (152.25 → 152.55) pocket +30 pips.
- Traders who faded post-fix short (152.55 → 152.25) also earn +30 pips.
- Those who stayed out avoided whipsaw risk.



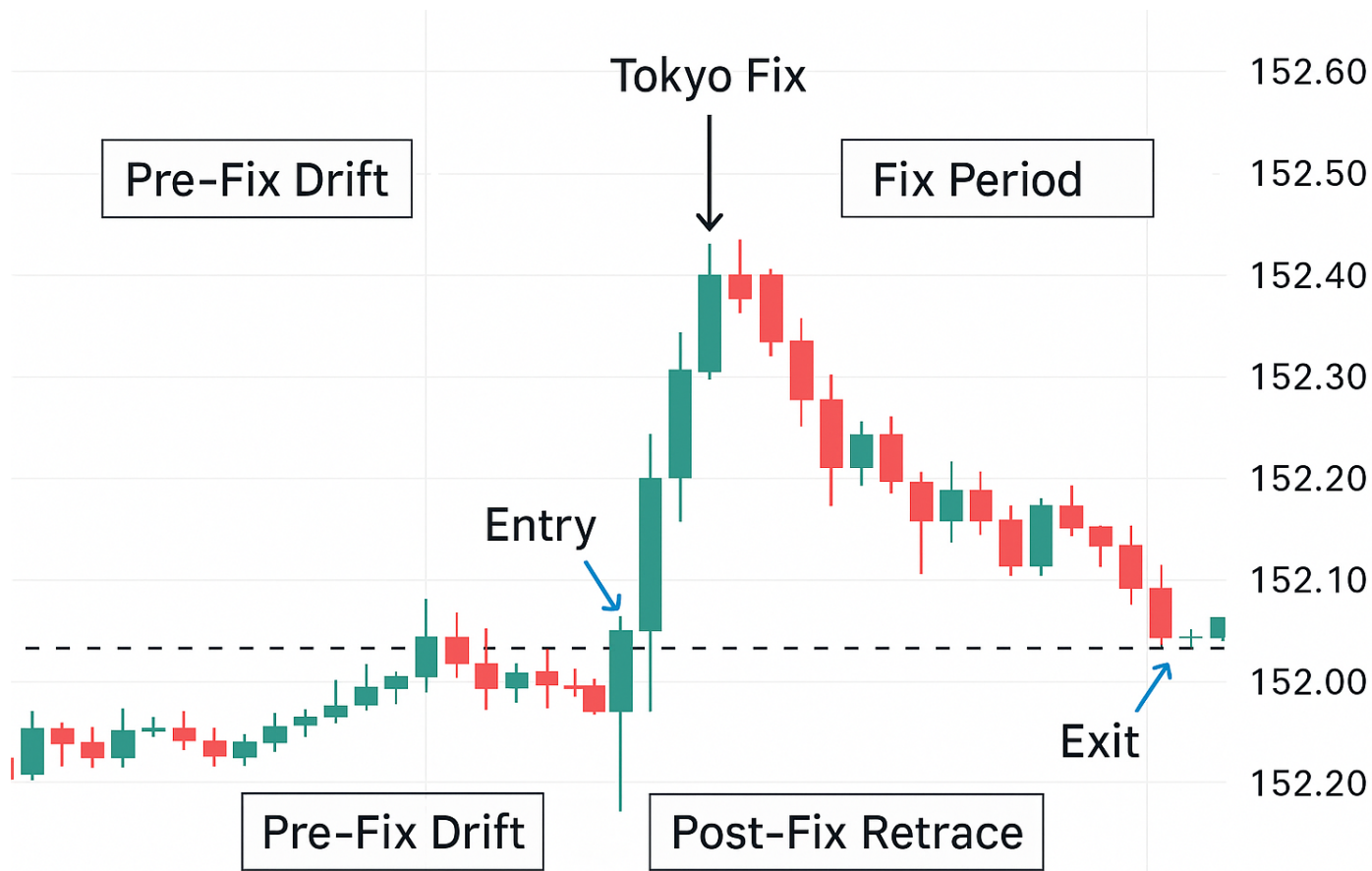
6. Risks to Watch

Risk Type	Description
False signal	Sometimes the market fakes direction before fix.
Low liquidity	Thin books cause 20–30 pip swings easily.
Spread widening	Brokers can widen spreads by 2–3×.
No follow-through	After a fix, the move often fades fast.



7. Summary Table

Time (Tokyo)	Action	Trader Focus
9:30 AM	Watch for early drift	Directional clue
9:45–9:55 AM	Pre-fix move	Entry opportunity
9:55–10:00 AM	Fix period	High volatility
10:00–10:10 AM	Post-fix retrace	Reversal / fade setup



Forex Open Hours:
<https://forex.timezoneconverter.com/>

Forex Market Time Converter

Time Zone: ▼

[How do I determine my time zone?](#)

Time and date: 04:24 PM 04-December-2025 [America/Los_Angeles](#)

Click on a time zone for Daylight Saving Time (DST) transition dates and times.

Forex Market Center	Time Zone	Opens America/Los_Angeles	Closes America/Los_Angeles	Status
Frankfurt Germany	Europe/Berlin	11:00 PM 04-December-2025	07:00 AM 05-December-2025	Closed
London Great Britain	Europe/London	12:00 AM 05-December-2025	08:00 AM 05-December-2025	Closed
New York United States	America/New_York	05:00 AM 05-December-2025	01:00 PM 05-December-2025	Closed
Sydney Australia	Australia/Sydney	01:00 PM 04-December-2025	09:00 PM 04-December-2025	Open
Tokyo Japan	Asia/Tokyo	03:00 PM 04-December-2025	11:00 PM 04-December-2025	Open