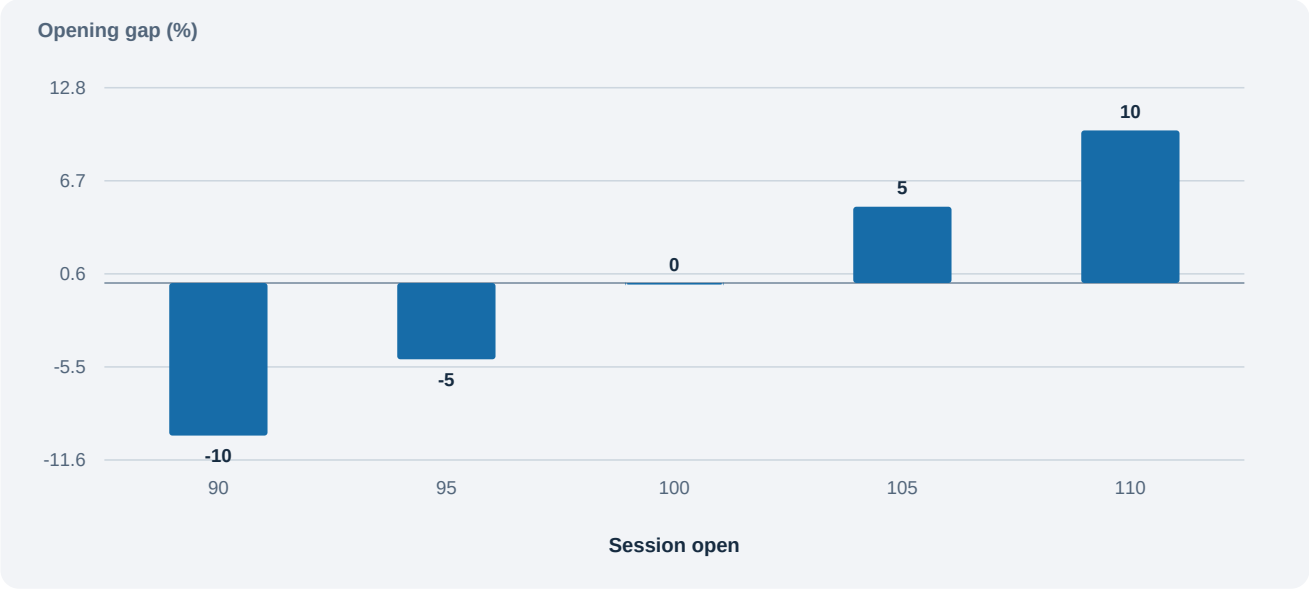
Opening gap relative to prior close

Auction and levels | Original synthetic example | Edition 2026-11-26

An opening gap measures the difference between a new session's opening price and the previous close. As a percentage, it uses the prior close as the denominator.

FORMULA Gap percent = (open - prior close) / prior close x 100

SCENARIO 01: Previous close 100; compare session opening prices



WORKED EXAMPLE

Opening at 105 gives gap 5% versus the previous close 100; prices are synthetic and unadjusted.

COMMON MISTAKE

Comparing an adjusted previous close with an unadjusted open can create a synthetic gap.

BEFORE YOU USE THE CALCULATION

1. Align adjustment conventions.
2. Define session boundaries.
3. Separate opening price from the first trade you could execute.

COMPARE TWO MORE INPUT SETS

Scenario 05: Previous close 140; compare session opening prices. Opening at 145 gives gap 3.57% versus the previous close 140; prices are synthetic and unadjusted.

Scenario 10: Previous close 190; compare session opening prices. Opening at 195 gives gap 2.63% versus the previous close 190; prices are synthetic and unadjusted.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.