

# THE SHIFT TO 24X5 TRADING: WHAT IT MEANS FOR U.S. EQUITY MARKETS

## Executive Summary

The U.S. equities markets are entering a transformative era with the proposed move toward 24x5 extended trading hours — a structural evolution driven by global investor demand, regulatory momentum, and the need for modernization across market infrastructure. National exchanges, clearinghouses, and service providers are supporting the industry through this transition, fostering collaboration and promoting best practices.

Extended hours trading has the potential to add value, but there are also a wide range of factors that must be evaluated and addressed to protect the markets, as this shift to extended trading hours potentially introduces new complexities in systemic, market, counterparty, and operational risk.

**The Depository Trust Clearing Corporation's (DTCC)** equities subsidiary, National Securities Clearing Corporation (NSCC), has committed to deliver on the 24x5 initiative by extending NSCC's clearing hours to support clients and further strengthen the safety and soundness of the markets.

This paper explores some of the drivers behind the demand for extended trading, outlines current industry proposals, and presents strategic considerations to help firms navigate this structural change — positioning U.S. markets for global competitiveness while ensuring resiliency and stability.

### THE SHIFT TO 24X5 TRADING: What It Means for U.S. Equity Markets

A structural evolution for global  
competitiveness and resiliency



## What is 24x5 Trading?

Under the proposed model, in Q4 '26/Q1 '27 markets will begin operating from 8 p.m. ET Sunday through 8 p.m. ET Friday, excluding holidays.

To prepare for this change, in June 2026 NSCC will:

- **Extend its operating hours** to apply its central counterparty guarantee to overnight transactions.
- Introduce dedicated authorization agreements for Special Representatives in the overnight session prior to June 2026 to provide Member Firms with additional controls on who can act on their behalf during the overnight session via an opt-in model (subject to Board and Regulatory approval)

As the current proposal stands, extended trading hours may provide market participants with a greater amount of time to confirm and affirm trades. For example (dates within are illustrative):

QSR submits a trade at 7:55 p.m. ET on October 20	ATS submits a trade at 9:05 p.m. ET on October 20	ATS submits a trade at 12:15 a.m. ET on October 21
<ul style="list-style-type: none"> <li>• <b>Assigned Trade Date (TD):</b> October 20</li> <li>• <b>Settlement Date (SD):</b> October 21</li> <li>• <b>NSCC:</b> Confirms CNS® eligibility for guaranteed processing.</li> <li>• <b>Margining:</b> Subject to NSCC start-of-day and intraday margining on October 21.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assigned Trade Date (TD):</b> October 21</li> <li>• <b>Settlement Date (SD):</b> October 22</li> <li>• <b>NSCC:</b> Confirms CNS® eligibility for guaranteed processing.</li> <li>• <b>Margining:</b> Subject to NSCC start-of-day and intraday margining on October 21 and 22.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assigned Trade Date (TD):</b> October 21</li> <li>• <b>Settlement Date (SD):</b> October 22</li> <li>• <b>NSCC:</b> Confirms CNS® eligibility for guaranteed processing.</li> <li>• <b>Margining:</b> Subject to NSCC start-of-day margining on October 22 and intraday margining on October 21 and 22.</li> </ul>

One important nuance: **a technical pause for exchanges would occur for one hour, from 8-9 p.m. ET, Monday through Thursday.** This pause proposal allows exchanges to perform maintenance without interrupting NSCC's clearing and settlement processes.

NSCC's **Universal Trade Capture (UTC)** system will continue operating during this window, ensuring trades are captured and processed seamlessly. Trade date assignment is standardized through UTC's **"Good Night Message"** protocol, as outlined in **NSCC Rule 7 and Procedure II:**

- A trade executed at **8:00 p.m. ET** keeps the same day trade date and next-day settlement.
- A trade at **8:01 p.m. ET** moves to the next trade date.

## Why Now?

Recent announcements this year by NYSE, Nasdaq, and CBOE to enable near-24-hour equity trading signal a transformative shift in U.S. market structure.

While Alternative Trading Systems (ATS) have offered extended hours for years, national exchanges moving toward continuous trading will reshape liquidity dynamics, potentially increase global participation, and require upgrades in risk management and operational capabilities.

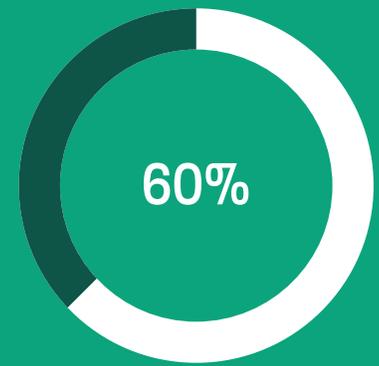
Technology readiness and regulatory support make this possible today. These changes are reinforced by global harmonization efforts, as international exchanges and derivatives markets explore similar models to align trading windows and operational standards worldwide.

## Survey Insights

To better understand industry sentiment and client readiness for extended hours trading, DTCC conducted an anonymized pulse survey in 3Q 2025 on myriad issues around 24x5, including forecasting anticipated volume shifts, assessing risk management enhancements and operational challenges, and identifying strategic priorities, key pain points and potential barriers.

Industry feedback received to-date underscores strong support for extended trading, with nearly **60%** of survey respondents stating they are planning upgrades to risk, technology, and operational processes.

Findings also showed strong support for DTCC's proactive engagement and readiness initiatives, with most firms expecting a gradual overnight trading volume increase over the next several years.



## How Will it Work?

The proposed 24x5 model introduces a continuous trading window from **8 p.m. ET Sunday through 8 p.m. ET Friday**, excluding holidays.

Clearing and settlement processes will remain aligned with the [accelerated T+1 settlement cycle](#), consistent with the industry-wide T+1 transition implemented in May 2024.

### Key operational features include:

- **UTC System:** Continuous operations for trade capture and processing.
- **Risk Monitoring:** Exposures recalculated every 15 minutes; intraday margin calls triggered during volatility.
- **One Hour Technical Pause:** Exchanges only, 8-9 p.m. ET Mon–Thurs; NSCC continues clearing uninterrupted.

## Who Benefits from 24x5 Trading?

The move to 24x5 trading is not just about extended hours — it's about potentially unlocking new strategic advantages for every market participant.

By creating a near-continuous trading environment, firms can better align with global capital flows, reduce exposure to overnight risk, and respond to events in real time. This evolution positions U.S. markets as more competitive internationally and offers participants greater flexibility to proactively manage portfolios.

Retail Investors	Institutional Investors	Global Markets
<ul style="list-style-type: none"><li>▪ Ability to react to global news and events outside traditional hours.</li><li>▪ Greater flexibility for those in non-U.S. time zones.</li><li>▪ Opportunity to manage positions during overnight volatility.</li></ul>	<ul style="list-style-type: none"><li>▪ Enhanced ability to hedge exposures during global market shifts.</li><li>▪ Increased access to liquidity during stress periods.</li><li>▪ Better alignment with international trading windows.</li></ul>	<ul style="list-style-type: none"><li>▪ Improved global competitiveness for U.S. markets.</li><li>▪ Potential for tighter spreads during active overnight sessions as participation grows.</li></ul>

## How Will Risks Be Managed?

Risk management is the cornerstone of 24x5 trading — and it becomes even more critical in a near-continuous environment.

Extended hours introduce new dimensions of volatility, liquidity challenges, and operational complexity. DTCC's approach focuses on dynamic, real-time safeguards that maintain market stability without slowing down trading activity. These measures ensure that overnight sessions remain as secure and resilient as traditional hours.

NSCC will leverage its existing risk management framework, including daily margin calculations and the Margin Requirement Differential (MRD) charge—to mitigate overnight trading risks. Risk systems will monitor exposures every 15 minutes and may trigger intraday margin calls if volatility or volume spikes occur. Members participating in overnight sessions or exhibiting higher risk patterns may face additional margin requirements, serving as pre-funded resources to strengthen liquidity.

## Key Risk Enhancements

- Continuous operational coverage with expanded staffing and technology support
- Introduce dedicated authorization agreements for Specialized Representatives during overnight sessions under an opt-in model, giving Member Firms greater control over representation.
- Assess minimum margin requirements and higher minimum capital thresholds for members participating in overnight trading ahead of the Exchanges Go-Live

## How Will Corporate Actions Be Impacted?

Corporate actions introduce unique timing and operational challenges in a near-continuous trading environment. While standard trade date cutoffs remain [unchanged under NSCC Rules](#), extended hours will require firms to reevaluate processes for elections, entitlement calculations, and guaranteed delivery.

Corporate Actions: Action Type Under 24x5	
Voluntary	Requires automation for overnight elections
Mandatory	Minimal impact; timing remains end-of-day

## Key Considerations

- **Election Deadlines:** Voluntary corporate actions typically require instructions by 5 p.m. ET on record date. DTCC is assessing whether automation can support overnight submissions without manual intervention.
- **Entitlement Processing:** Record date ownership remains based on end-of-day positions, but extended trading introduces complexity for same-day reversals and late trades.
- **Guaranteed Delivery:** Current rules allow delivery up to two business days after expiration for certain offers. DTCC is reviewing whether these windows need adjustment for overnight activity.
- **Cover Protect & Automated Halts:** This is still under evaluation to prevent mismatched entitlements during continuous trading.

## Timeline

- **2024:** NSCC Extended Clearing Hours
- **June 2026:** Full 24x5 Trading Model Launches
- **Ongoing:** Collaboration with Exchanges, Regulators, and Global Markets to Harmonize Standards and Readiness.

## Conclusion

The shift to 24x5 trading is a structural evolution that demands industry-wide coordination, incremental adoption, and robust safeguards. This change positions U.S. markets for global competitiveness while ensuring stability and resiliency through enhanced risk management and operational readiness. As trading windows expand, continuous trading will redefine liquidity dynamics, risk frameworks, and the way participants operate in an increasingly interconnected marketplace.

DTCC's initiative to support extended trading hours is targeted for testing in January 2026, with a production release planned for June 2026. As this effort progresses, DTCC will continue to work across the industry to support the alignment of extended trading hours.

**DTCC WELCOMES ONGOING DIALOGUE WITH INDUSTRY AND FIRMS AS THIS INITIATIVE CONTINUES TO EVOLVE.**

[READ THE FULL REPORT](#)

[VISIT DTCC'S 24X5 HUB](#)