

**Binary options are a relatively new thing!** A option part is a option with an underlying asset, which it follows. The binary part, is that you gamble if the price will rise or fall within a given time period. Some people think binary option brokers are scam. No they are not. They tell you loud and clear all the pros and cons. If you win, you win up to a certain percentage of your investment, and if you lose, you often lose it all. Already here should it be common sense, that Forex trading is a lot more attractive. It is impossible to close a position in binary option trading, if you see the price is going against you. This means you will never be able to close bad trades, and let the good ones run. **Is it possible for a Binary Option trader to make money on binary options?** But however, if you are a good technical trader (Very good), it is possible to make money on binary options. Lets do the math. Let's say you win 80% for each time you win, and lose it all, when you lose. You have an account with 1000 dollars on it, and you are willing to risk 5% each time. This means for every 5 wins you have, you can only have 4 losses. So to be profitable you have to have a win rate over 80%. **Forex Trading Money Management (Binary Option Trading Money Management)** In the Forex markets, you can survive with a win ratio at 50%, if your risk reward ratio is over 1 to 1. Also it is almost impossible to analyse what there going to happen in the next minute. Binary options do often use short time frames, in order to make it more a guessing game. If they make higher time frames, the spread will be enormous. I would suggest that you, unless you want to gamble, stay away from

binary options. Instead you should use your money on education for the Forex markets. **By Mathias Billeskov**