

# Rebate Programs Advantage



Dear traders,

Here I want write about rebate advantage maybe you don't know what the rebate is. First let me explain you what is the rebate.

When you are trading on one symbol like EUR/USD or GBP/USD and others symbols you will spend spread. As you know spread means different between ask and bid price. The rebate service will back you some of this spread.

Rebate programs call as cash back program too. In fact in the Forex dictionary

### **Rebate = Cash Back**

Many Forex brokers like that their open a trading account directly not with introducing brokers (IB) because they should spend a few amount of your trading spread to them. You must choose well know rebate programs. Some rebate programs will ask the broker to increase your spread! And don't talking about this with you!

Sometime some IB's will add commission on your account and you will pay spread plus commission. First you must ask about these questions to make a sure that, they don't want to cheat you!

To understand this cheat you can open a demo account in your desire broker then compare it with your real account that you open through IB's with your broker if you see more commission or spread on your real account you must know that your IB's increased your spread !

Most Forex brokers like your lose because in fact your lose will get them more profit than spread! But all rebate programs want your profit because their profit is your trading. Every time you open and close one position they will receive rebate then they don't like your lose and they like you trade more and more.

Well when you know rebate service likes your profit you can trust their market review and market analyze better than brokers! As I wrote the rebate programs will give back some amount of your spread this is not huge amount but it can be your till!

Many a little makes much

### **Now I want write about this program advantage in brief:**

- 1- You will receive a little award when you trade. it's not important that you lose or win in your trade.
- 2- For short time trader (scalper) rebate will be a very good offer.
- 3- Most honest rebate program will not charge you it will be free for you then why you don't like use it?!
- 4- Most broker allow you to join their IB even If you have real account already you don't need open new account

In some sources I have read about Forex rebate programs disadvantage I am not agree with them here I want write them and explain why I am not agree with them

### Disadvantages of Forex Rebates:

1- You'll want to always trade without a good understanding of market trends. That it can eliminate your capital. This is not correct this is not disadvantage of rebate program this is the trader mistake because he want trade more to get more rebate!

This is funny idea because your spread is negative not positive! Well why you think more trade means more profit?! If you think correctly you will not do it.

2- Joining a rebate program can make you excitement. You just love the open and closed positions. As I wrote before this is not correct why you should be excitement because 1 pip decreased spread?!

3- You don't make good money management. Because you get more profit to use bigger lot size in your trade. This is the most traders' problem and this will not refer to the rebate programs!

I wrote in the other article about good strategy features when you have not good strategy you want earn huge profit with a little trade even your account opened with IB or directly!

4- You have no logic to become a better trader. No matter how bad a trader you are, you'll still earn some money from your trades through rebates. This is another mistake! You don't earn some money from your trades! Your spread decreased only.

5- Joining a rebate program can make you reckless since you're getting rebates on your trades.

Again this is not rebate programs disadvantage this is emotional trading problem. You should increase your mind control skills to be a good trader. Please read the psychology article to understand more about your emotional problems in Forex market.

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