

# Forex Binary Option Trading



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**F**orex Binary option is a new trading system and it became very popular during last 3 years.

## **What is Binary option?**

In fact, Binary Option Trading is like a bet on market! you should predict the market trend and bet on it! risk/reward ratio in Binary Option Trading is not equal unfortunately you have not Take profit or stop loss on binary option trading so your reward is the amount that the broker offers you just like a gamble in casino!

Most common Binary Option trading system is High-Low prediction option.

In this trading system you should just predict the price will go up or down during next seconds or minutes or hours. It also called a fixed-return option.

Binary Option Brokers providing access to stocks, indices, commodities and foreign exchange (FOREX).

### **How It Work?**

Binary Option trading is really simple if you think the market goes up you can click on Put bottom or if you think the market goes down you can click on call bottom in Binary option trading put=Buy and Call=Sell.

All you need is just predict the market direction the trader is paid a fixed return regardless of how much the instrument moved. A trader who wagers incorrectly on the market's direction loses her/his investment if after the expiry time the market price don't moved or moved back till just your enter price your return will be your paid money.

### **Comparison Traditional Forex Trading and Binary Option Trading**

Binary trading is like betting on the market movements there is no important that the price will go against you 1000 pips or only 1 pips you will lose! so it's not important the price will go through your order 1 pip or 1000 pip your return is fixed it's good if market go against your prediction because your lose amount is fix so the market gaps or news can't increase your risk or you are not worry about market fast movements and requote order at your specified Stop Loss price in other side if market go through your order your return will not increase!

In traditional Forex Trading your order can open for long time as you wish but Binary Option trading has expired time after the expire time your order will close automatically!

When you trade on normal Forex market you can modify your Stop Loss or Take Profit but in Binary Option Trading you can't do this! Well analyse market actions and decide you can't change or edit your decision till expiry time.

On normal trading if your order goes to profit you can close it and earn profit but on Binary Trading you should wait till expire time some time your order is in profit

but just a few second before expire time your order will come back and you will lose!

### **Which one is more profitable Binary option or traditional Forex Trading?**

Answer this question is hard but I believe that if you understand market condition and market movement Binary Option can be more profitable vs normal Forex trading because on Binary option you can send a lot of orders with only 1 minute expire time

it means each second you can open new trade and after 1 minute if your prediction be correct as low as 1 pip only you will earn profit there is no limitation on binary option trading.

But

In normal trading your profit or your loses is directly depend on market movements so many brokers don't allow you to scalp in market then you can't send a lot orders with low profit.

### **Summary:**

If you like just predict market direction regardless how much it will move Binary Option is best choices I believe that binary options trading is both easier to master and offers higher rewards than traditional trading but It is like a bet if you like predict market movement and analyse market traditional trading is better.

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