

Binary Option **Vs** Spot Forex Trading



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Many forex traders are eager to know which one is better forex trading or binary option trading some time I saw that Binary Options traders don't like Forex, and Forex traders don't like binary options. In previous article I wrote about Binary option trading but here I want compare them with more details.

Risk/Reward Ratio

In binary option your risk/reward ratio is fix percentage but in spot forex trading you can change it yourself well it seems that spot forex trading is better than binary option trading for risk/reward ratio well here spot forex trading is a winner

Lose risk in each trade

in spot forex trading you are not sure about your real lose amount even if you put stop lose because we have a market slippage always but in binary option your maximum lose and risk is fix amount well here binary option trading is a winner

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Profit percentage in each trade

When you are open a binary option trade you will receive specify percentage profit if market go only 1 pip through your position but on spot trading your profit is depending on market movement some time you will win a lot and some time you will win a little well because we can't see huge market movement usually and sometime market movement is against our position then binary option trading is a winner.

Trading Flexibility

You are able to send stop orders limit orders and set a lot of indicators on spot forex trading so Metatrader allow you to use expert advisors for automatic trading you can modify your orders on spot trading you can close your position partially but in binary option we have not these option maybe in feature some broker add these feature but at the moment spot forex trading is more flexible versus binary option trading.

Margin and profitability

On spot forex trading forex brokers gives you high leverage like 1:1000 to increase your profitability on binary option we have not leverage because we are not trade in fact in binary option we are bet on market direction well I believe that here both are equal.

Facility

Trading on binary option is like a game but trading on spot market is a few different and more difficult for beginning or inexperienced trader's binary options are easier to understand and trade. A beginning trader just has to understand one strategy and some basics, like risk management, or take advantage of a Free Training Class and he is ready to trade.