



**TOP**

# **BINARY OPTIONS TRADING STRATEGIES**

Strategies of Pros Explained for Dummies

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# Welcome!

## Do you want to become a successful binary options trader?

You are in the right place. In this e-book you will be introduced to the top 10 binary options strategies. As well as picking the most effective and easy-to-use strategies out there, we have presented them in a fun visual manner that is easy to understand, even if you don't have much experience.

Some binary option traders play the markets without any solid strategies. We however, strongly recommend mastering at least a couple of strategies and trading only when strategy indicators are clear. By doing so you can not only reduce your risk, but also significantly increase any profits.

That said, always be aware of the other factors that drive markets, don't just follow indicators blindly!

And Remember that it's okay to have losses – as long as more of your trades are 'In the Money' than 'Out of the Money'.



A handwritten signature in black ink, appearing to read "Rob Anderson".



# Why Binary options are becoming more and more popular?

## Simplicity

Binary options are generally simpler to trade than other instruments. This is because you only need to form a view on what direction the price of the underlying asset will move. In comparison, traditional options also require you to form a view on the magnitude of any price movement.

## Fast outcome

Binary options offer contracts with short-term durations, from 60 seconds to 60 minutes. This provides the trader with several investment opportunities during a day. It also offers flexibility as markets change over time.

## Less risk

With the forex market, every time you enter into a trade you risk the entire amount of money in your trading account. With binary options, however, your risk is always limited to the amount you committed to that specific trade.

## No fees

Unlike with other trading instruments, there are usually no fees or commissions attached to binary options. Brokers make their money from the percentage discrepancy between what they pay out on winning trades and what they collect from losing trades.



## Multiple asset classes

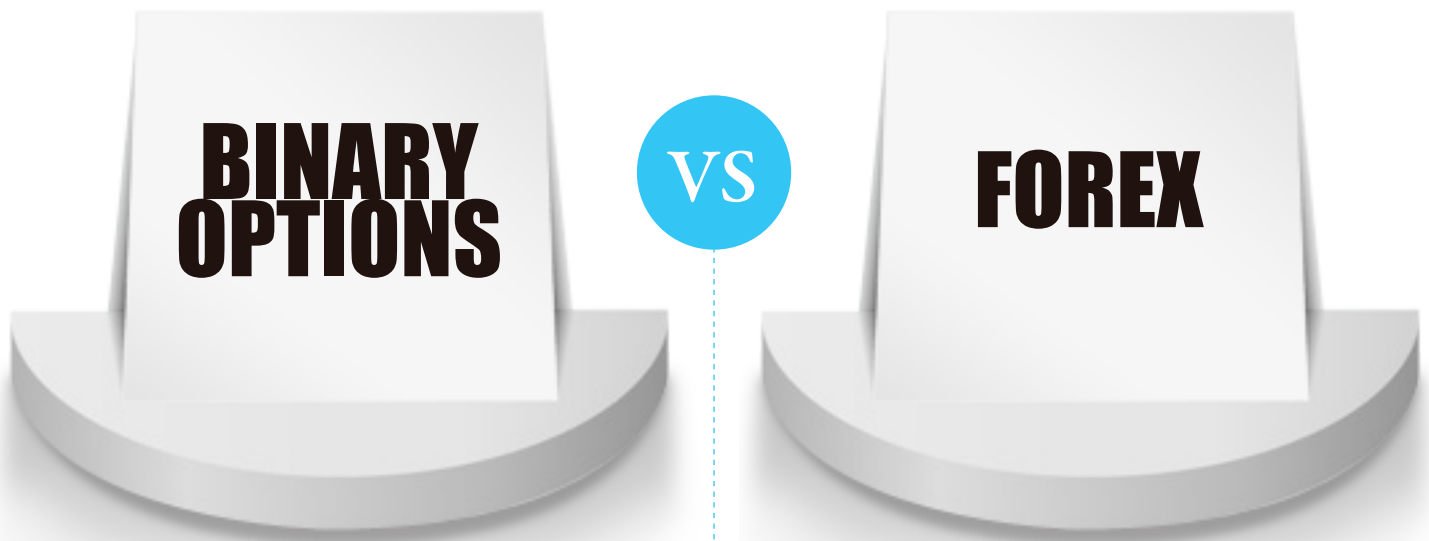
A trader can access multiple asset classes such as stocks, currencies, indices and commodities, and can usually trade them whenever a market is open somewhere in the world.

*The best thing about binary options is that I know exactly how much my return or loss will be before I make an investment. It makes risk management incredibly easy.*

*Richard.  
Developer,  
Netherlands*



# Comparing two top trading opportunities



Profitability rates	✓ 60%-85%	✗ Uncertain
Risk	✓ Controlled	✗ Unpredictable
Refunds for losses	✓ >15% refund	✗ None
Risk/Reward ratio	✗ Reward < Risk	✓ Reward > Risk
Leverage*	✗ Not available	✓ Up to X500
For beginners	✓ Simple to use	✗ Not so much (except <a href="#">social</a> )
Fees	✓ No	✗ Spread and/or commission
Regulated in the US	✗ No	✓ Yes
Ownership of asset	✗ No	✓ Yes
Assets for trading	✓ Multiple	✗ Limited

\* Leverage (margin) allows you to increase your investment capital so you can make a larger trade, and potentially a larger profit if your trade is a winning one.

# How it works

1. Choose an asset  
↓

2. Choose expiry time  
↓

3. Select investment amount  
↓

4. Decide if the rate will go Up or Down  
↓

Gold

18:00

\$100

Will **Gold** go up or down?

Gold 1309.50

↑  
CALL

↓  
PUT

1309.650

Payout percentage

72%

Potential payout

\$175

Time left: **00:29**

41%

59%

UP      DOWN

Market sentiment - dynamic fluctuations of buyers and sellers creating trends

## Overview

Binary options offer a way to trade stocks, commodities, indices and currency pairs where your rate of return is FIXED. You just need to correctly pick whether the value of the asset is going up (Call) or down (Put). Usually, these options expire in 15-30 minutes.

## Example

For example, a trader forms a view that the price of gold will fall in a given period of time, and so places \$100 in a put. If correct, s/he wins a fixed payout - \$175. It does not matter if the price of the asset falls \$1 or \$100 - the payout is the same. If the price of gold rises, however, the trader loses the entire amount of the investment - \$100.

Some brokers, however, let you minimize risks by choosing the payout and loss percentage you want. For example, you can choose to lose only 75% in the event that your view is incorrect. With such an option, you would also have to accept a lower win percentage.

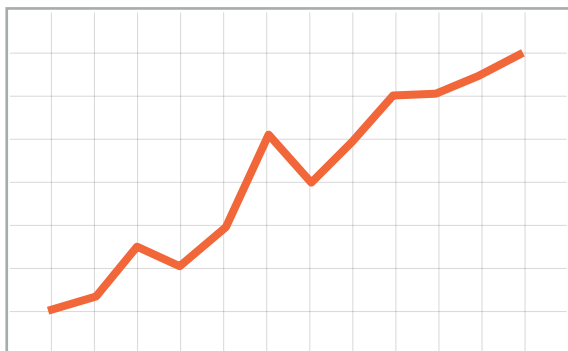
# A visual trick for memorizing what is *bull* and what is *bear*

On Wall Street, the bulls and bears are in a constant struggle. If you haven't heard of these terms already, you undoubtedly will as you begin to invest. The terms bull market and bear market describe upward and downward market trends, respectively, and can be used to describe either the market as a whole or specific sectors and securities. These images will help you memorize which is which.

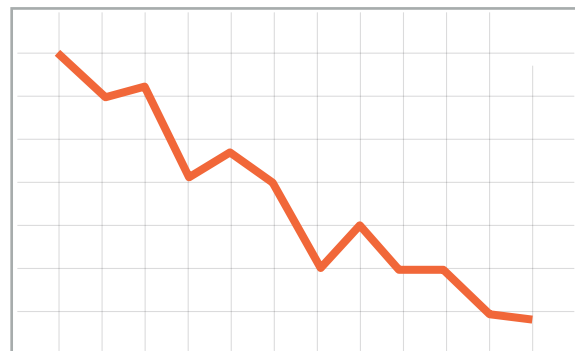
## Bullish action



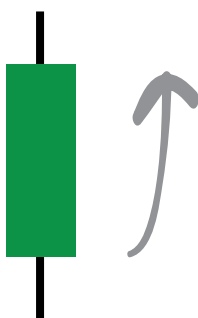
## Bearish action



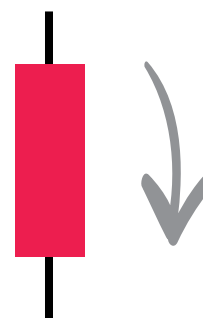
## Bearish trend



## Bullish candlestick



## Bearish candlestick

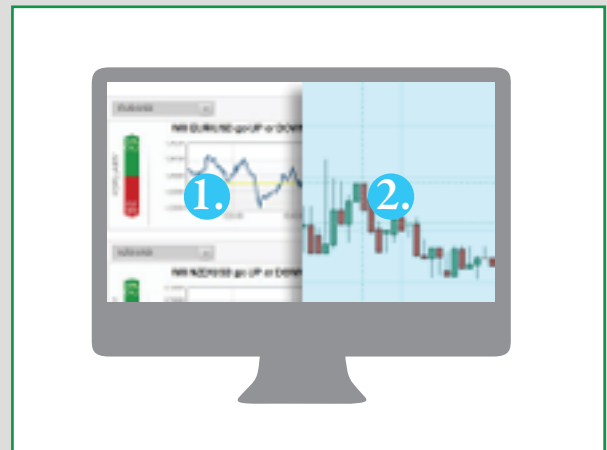


# How to set up your workspace for successful binary trading

Precise binary trading decisions must include technical analysis. This requires more specific information than that provided by a line chart, so professional traders use independent candlestick charts that offer more in-depth data.



Simple binary line chart



Binary line chart + candlestick chart tool

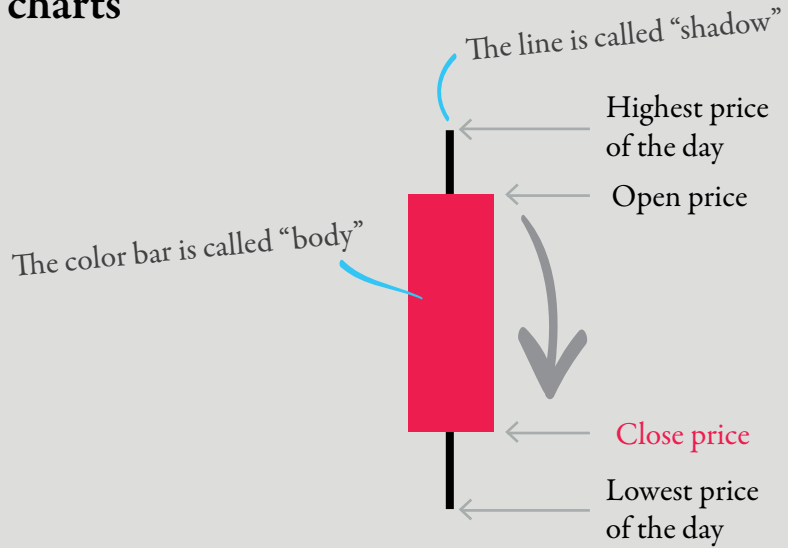
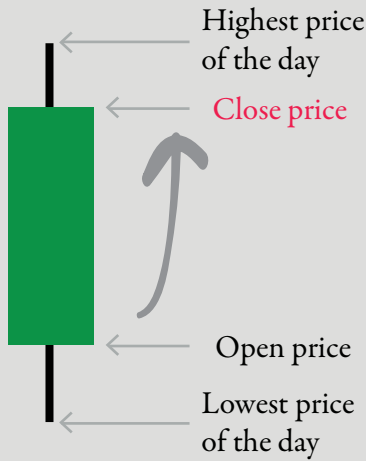


## Recommended free chart tools

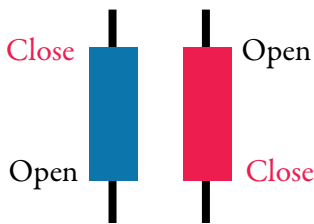
- [Trading View™](#)
- [Free Stock Charts™](#)
- [Multicharts](#)

# Unlock the potential of charts!

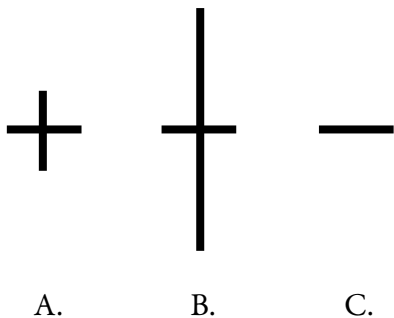
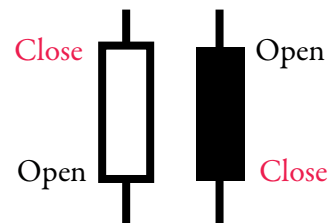
## How to read candlestick charts



### Color variation 1



### Color variation 2



- A. Doji - when the opening and closing price are equal.
- B. Long-Legged Doji - after small candlesticks, they indicate a potential trend change.
- C. 4 Price Doji - where the high and low are equal. Normally only seen on thinly traded pairs.



# Best time for trading

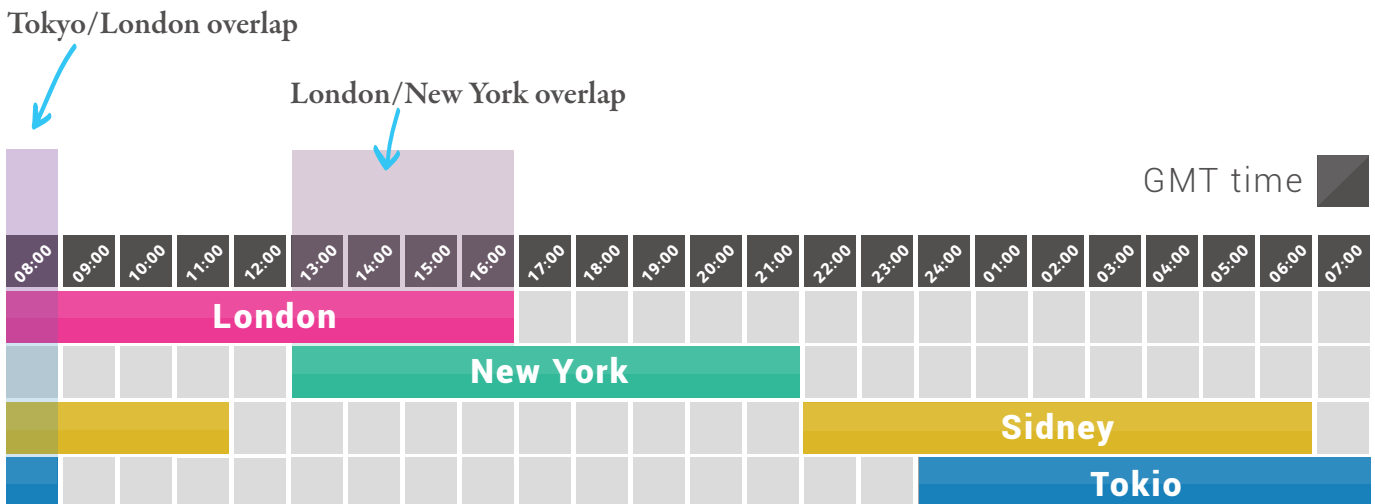
One of the most important aspects when trading binary options is to know when to trade the market. Even though trading on foreign exchange options, stock options, commodity options and index options is available 24-hours a day, five days a week, not every hour or minute is worth trading. There are different hours during the day and different days of the week which see more volume and liquidity than others, resulting in high volatility and opportunities to maximize trading.

## Overlaps - the peak time



The binary options market is most active when there is an overlap of the London/New York and Asia/London sessions. The market experiences a high volume of trades at these times.

When more than one market is active, you can expect to see increased volatility, meaning that prices move around more and in a clearer direction. During off-peak hours, there is little volume and less price movement, resulting in flat and directionless markets.



## Effects of timing

As a binary options trader, you profit when you correctly predict the direction of an asset price. Volatility is therefore essential to maximize the chances of you increasing your return on investment. Studies have shown that the most active trading hours occur during the European session. In the US, trading activity picks up sharply around 8:30 am EST. this is due to the release of closely watched US economic data, which generates the liquidity and volatility needed for the underlying asset to reach its target price before the option expires. Prices become most volatile when the US releases its monthly non-farm payrolls report on the first Friday of every month. In contrast, markets will be less active and liquid during major holidays in the US and Europe, resulting in subdued trade.




## Best days of the week

There are days that see more volatility and price action than others. According to our research, Tuesday and Wednesday are considered to be the most active trading days of the week. Friday is also recognized as a high-volatility trading day, especially during the hours when European and US trading sessions overlap. During the second half of the day, price movements can be very unpredictable.



# What time frame to choose for trading binary options

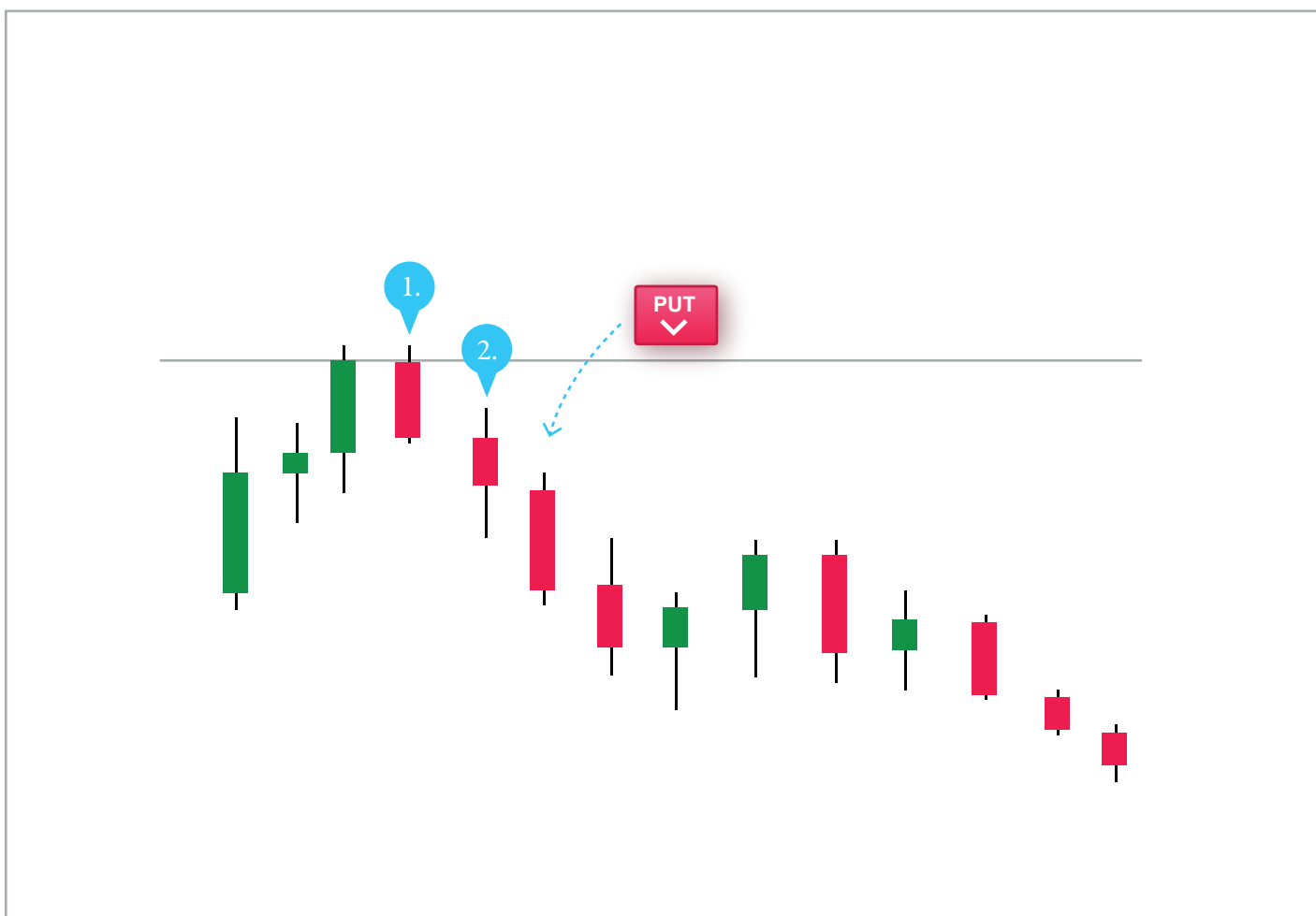
When it comes to trading binary options, you have a variety of choices for what kind of time frame (time until expiry) to trade in. the majority of binary options, however, have expiry times ranging from 60 seconds to 30 minutes.

	Description	Return rate	Type of analysis
<p><b>NEW!</b></p> <p>60 sec</p> 	Very unpredictable time frame. Quick results, but hard to make a sound prediction.	65% - 70%	More like gambling
<p>10 &amp; 15 min</p>  <p>Most popular</p>	Random reversals are less likely to occur here. Use hourly chart to understand the underlying trend.	Up to 80%	Technical
<p>30 min</p> 	30 minutes binary options should incorporate some fundamental analysis techniques during your re-search. This is because 30 minutes is just long enough for an asset to perform more closely to what its long term forecast is. Long term investors rely very heavily on fundamentals. You will also want to look at 15 minute charts and hourly charts to give you a broad view of the technical factors surrounding the asset. Fundamental analysis will help you here, but 30 minutes is still short enough that you can't neglect the technical side of things. Looking at both of these things will give you a much more complete picture of how an asset will perform over this longer time period.	80% and up	Technical + Fundamental

## What time-frame to use for the pattern recognition

In order to confirm a trend, use a candlestick chart with a bigger time frame than the one you use to decide your expiry time. it is usually recommended to use a time frame of at least 1 hour for chart pattern recognition. short-term traders, however, may choose to use 1-minute and 15-minute candlestick charts. The 1-minute chart provides entry and exit signals while the 15-minute and hourly charts are used to confirm the trend and support and resistance levels. If you trade binary options with 15-minute or 30-minute expiry times, 1-hour and 4-hour candlestick charts can be used to determine/confirm your view

# The Double Red Strategy



## 📋 Description

The double red strategy is a short-term reversal system based on price action and resistance. The trade is planned on a 5-minute chart and is signaled when two bearish candles form following a test of resistance.

1. Choose an asset and watch the market until you see the first red bar. then wait for a second red bar.
2. If the second red bar closes lower than the first red bar, then that's it – Jackpot.
3. Usually, what happens is that the third bar will go even lower than the second bar. This is the point where you should immediately place a Put option on the asset, with an expiry time not longer than 15 minutes.

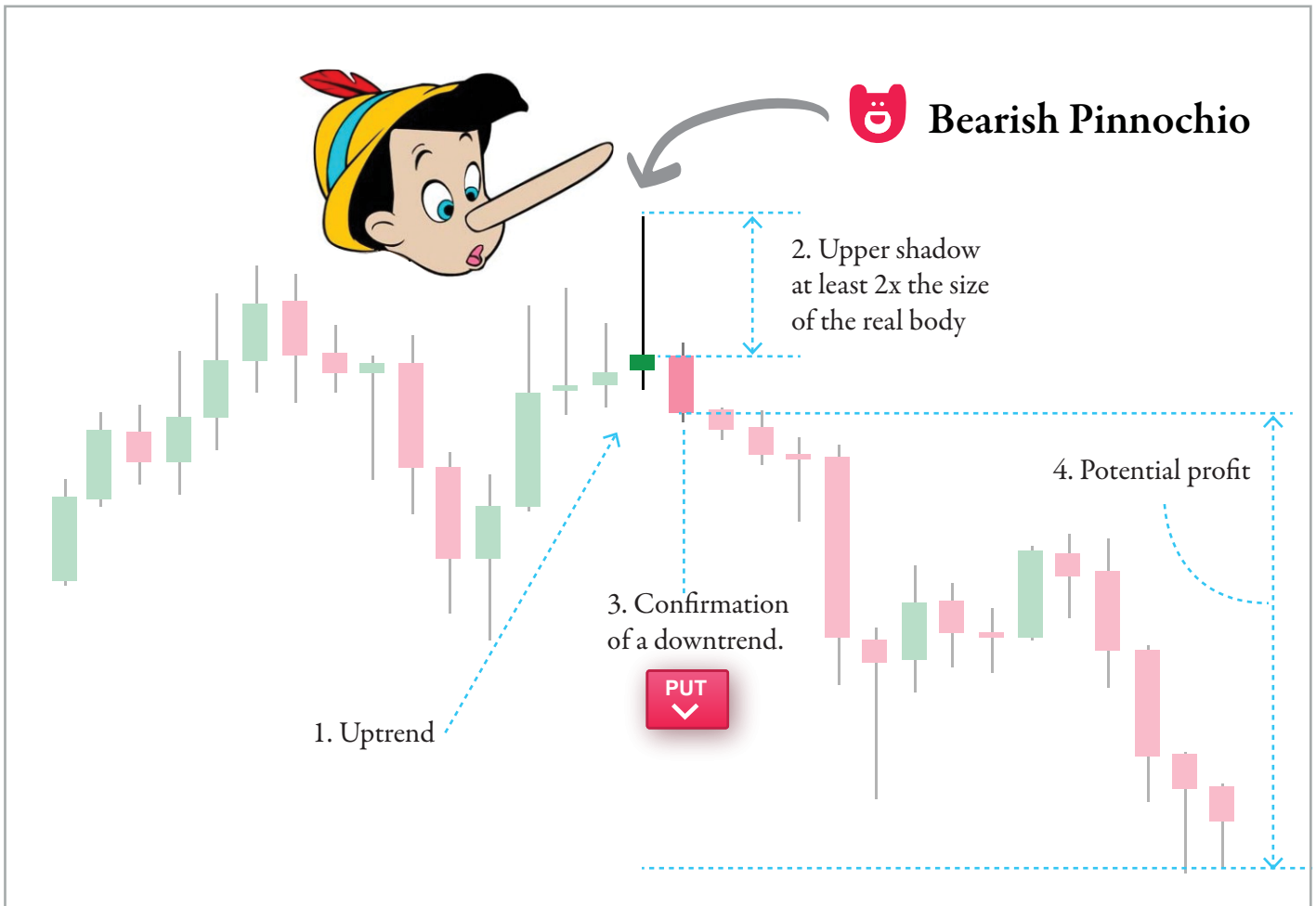
## 🔑 Key elements

- Chart for analysis: 5 min
- Expiry time to use: 5 -15 min

## ⚠️ Watch out

- Not suited for volatile markets.
- Do not use it when big news events are taking place.

# The Pinocchio Strategy



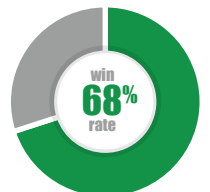
## 📋 Description

A Pinocchio bar is a candlestick bar that has a very small body and a very long wick (nose). It is also called Shooting star, Hanging man, Hammer and Inverted Hammer. As you remember, Pinocchio's nose grew long when he was lying. The same happens with the pinocchio strategy - when the wick is longer than the body, this tells us that the market is deceiving us and that we should trade the opposite way!

The entry point varies, as some traders prefer to wait for the next candle to retrace to the 50% Fibonacci level of the Pin bar, while others enter immediately after the Pin bar closes. A long wick indicates strong selling pressure, whereas a long tail suggests intense buying power.

## 🔑 Key elements

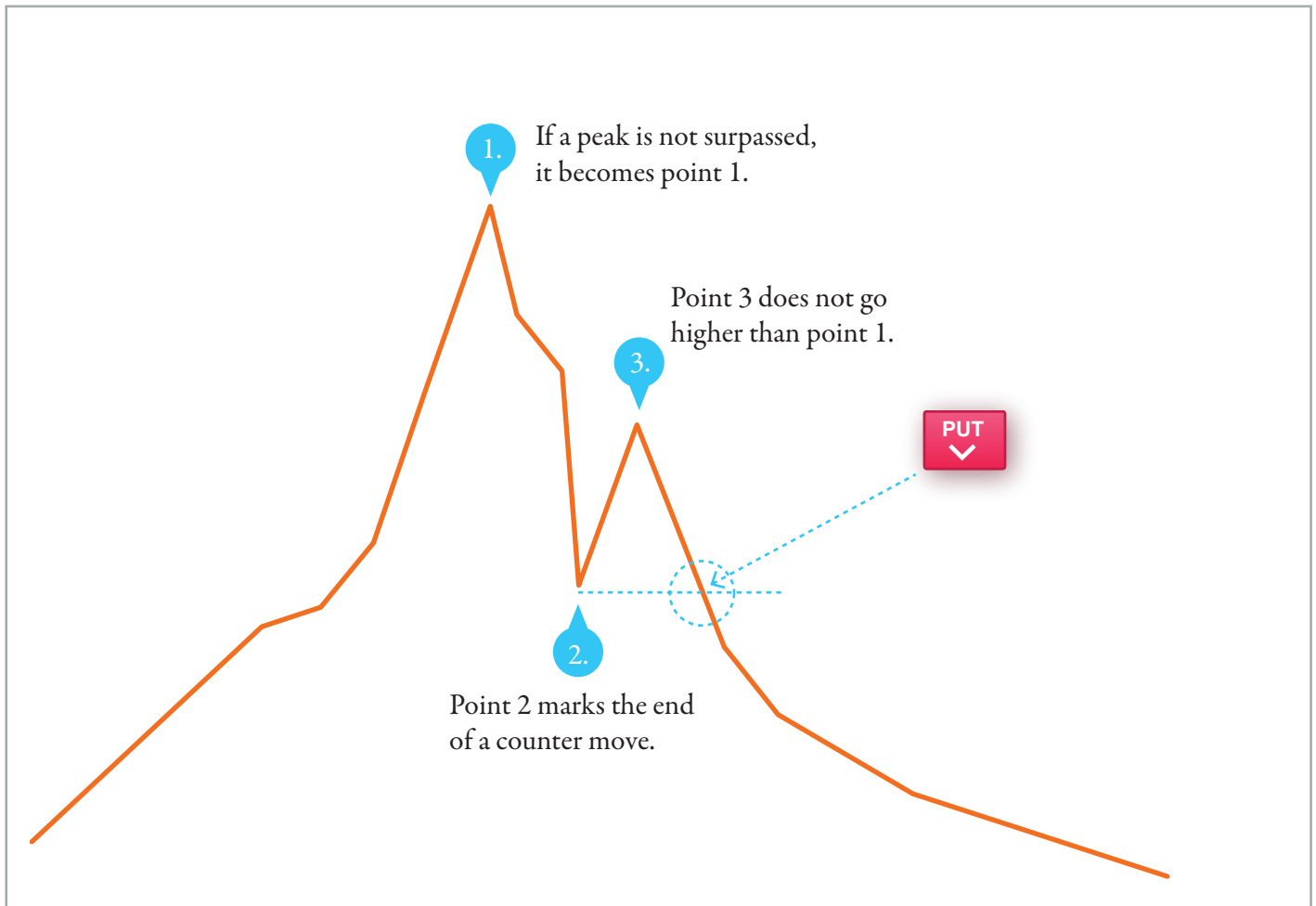
- Time-frame for analysis: 1h, 4h
- Expiry time to use: 5-15 min



## ⚠️ Watch out

- Do not use 60 second expiry time!
- Do not trade in a neutral market! A true bearish pinocchio signal must come after an uptrend (see image above). Trying to trade the bearish Pinocchio pattern in neutral market conditions can be risky.

# The 1-2-3 Strategy



## 📋 Description

1. After an uptrend or at least a strong move up, look for the 1 – 2 – 3 pattern to form, starting of course with the first peak (1).
2. Now, if a counter move starts, mark the bottom of that move with (2).
3. If the new move up does not surpass point 1 and starts turning down, mark the highest point of this new move up with (3).
4. our pattern is now complete. However, there is still a very important rule that must be observed: the price must move down to break the low created at point (2). If that happens, all our conditions are met, and we enter the trade with a 'Put'.

## 🔑 Key elements











- Choose expiry time equal to the time frame in which you spot the pattern.

## ⚠️ Watch out

- It is better to open two trades with smaller expiry times than 1 trade with longer expiry times.



# TOP 5 brokers Globally

BROKER	MINIMUM DEPOSIT	EUR/USD PAYOUT	DEPOSIT BONUS	REGULATED	HOW IT LOOKS
	\$1	90%	30% - 100%	 Cysec Pending	<a href="#">Visit broker</a>
	\$1	90%	25% - 100%		<a href="#">Visit broker</a>
	\$20	70%	20% - 100%	 Pending	<a href="#">Visit broker</a>
	\$5	85%	25%-100%		<a href="#">Visit broker</a>
	\$20	81%	20%-95%		<a href="#">Visit broker</a>

\* Voted as best customer service provider.

**NEW**

**TODAY'S TOP 5** - regularly updated & fresh tops.

As broker data is subject to change, we have developed a regularly updated section featuring our top 5 brokers, both for US and World clients. Visit it [here](#).



# Why our Top & Reviews are different

## Honest and useful numbers

Most reviews out there are one-sided advertisements, filled with marketing traps like “payouts of up to 95%”. We know that such promos are useless, as these 95% payouts only apply to exotic options, which nobody actually uses. That’s why we use specific comparable values such as payouts for EUR/USD options.



## We also highlight broker weak points

We have not only summarized the strengths of each broker, but also investigated their weak points. Just as every person has their weaknesses so does every company. It is our duty to provide the full picture.

## Verified information

The most common problem with broker reviews is that they are based on sketchy information. Very often, the data is either incorrect or different from what clients actually think and experience. That’s why the statistical part of our reviews is verified by the brokers themselves. And most importantly, our overall ratings are based on user reviews and feedback.

**Deposit options:**  
WireTransfer,  
MoneyBookers,  
Paypal, CashU and  
more.

*Secondary information!  
The thing you really need to check is NOT the  
deposit options, but the withdraw options!*



## No hidden fees

If there are any fees, we include them in our reviews! This is because even when brokers advertise no fees, there are usually hidden charges involved, for example in certain withdrawal options.



In customer polls SigmaOption are leading with the most responsive and freindly customer service. Their live data feeds are provided by Reuters and they provide expiry graphs for any given moment. SigmaOption uses today's leading binary options trading platform that provides traders with an excellent trader experience in terms of security, features, user-friendliness, tools, and education.

 **Pros**

- Minimum trade just \$10
- Experienced personal account manager
- Beautiful & user friendly platform
- Up to 100% bonus for the first deposit
- Regular promotions for traders
- Trading accounts in USD, GBP, EUR
- No fees for deposit and withdrawal

 **Cons**

- No demo account
- Doesn't accept US clients

 **Facts**

- Minimum \$250 deposit
- Deposit in GBP, USD, EUR.
- Deposit and withdrawal methods: Credit Card, Wire Transfer, Paypal.
- Trading platform: SpotOption
- Trading Instruments: Currencies, Commodities, Stocks, Indices.
- Trading methods: Binary, Pairs, Long Term, 60 Sec, One Touch, Ladder, FX/CFD

**Trading methods**



60 sec



Binary



Long-term



Pairs



One touch



Ladder



FX/CFD







Banc De Binary was the very first specialist binary brokerage to become licensed and since then has gone from strength to strength. It is one of the biggest online trading platforms and is seen as very reliable by its customers worldwide. The website and one-to-one broker service is available in eight different languages, and the firm has won awards for its excellent trading platforms. You'll love the wide range of available tradable assets and the high payouts on every trade. Banc De Binary provides an impressive selection of free educational resources to help clients succeed, from webinars about trading tactics with its financial analysts, to daily email bulletins and market event updates. You'll be able to put the tips into action on its user-friendly trading platforms, which are available on desktop and also via its free mobile application. The firm takes pride in catering for all its traders, with an exclusive VIP platform for professional investors and free \$50,000 demo accounts for beginners. Sign up today and be sure to claim your 100% deposit bonus!

👍 Pros

- 150 currencies, stocks, indices, commodities
- Free mobile app for apple & android
- \$50,000 demo account
- 5 user-friendly trading platforms
- Free daily analysis and trading advice
- Educational videos and webinars
- 100% sign-up bonus

📄 Facts

- Founded in January 2009
- Regulated by CySEC & registered with FCA
- Minimum deposit: \$250
- No fees to deposit or withdraw (debit card, credit card, wire transfer, Moneybookers)

# This Broker is Scamed recently

👎 Cons

- Demo account only after deposit
- Doesn't accept US clients

## Trading methods

Binary	One touch	Long-term	Pairs	30 seconds 60 seconds 120 seconds



uBinary is our favorite binary broker in terms of functionality. We recommend this broker for its user-friendly, high-performance binary system. It has a unique trading platform that stands out from the rest with its attention to detail. The firm's proprietary platform is second to none with its unique tools, such as analytics to deeply monitor the markets; "Option Builder" that allows the trader to create their own trades by either minimizing the risk or maximizing the payout; Social trading; "Dynamic Buy Me Out"; Trading signals with an average precision of 80%; and more. Our favorite tool is called "Flip" - it allows a trader to change his/her position after s/he starts trading and sees that the market is going in a different direction than first expected. uBinary offers five different account types to meet the needs of different traders. All of the account types include training and client protection insurance. Platinum accounts enjoy a bonus program of 20% to \$5000.

## Pros

- Most highly developed platform in the market
- Biggest offer of unique and useful tools
- Social trading and Signals for smarter decisions
- **You can change the position if market changes**
- Possibility to create your own terms by either minimizing the risk or maximizing the payout.
- to create their own trades by either minimizing the
- Very well written guides and personal help from uBinary's analysts.

## Cons

- No mobile platform yet

## Facts

- Founded in: 2012
- Regulators: None.
- Minimum deposit: \$250
- Assets to trade: 80+
- Withdrawal methods: credit & debit card (free), wire transfer (free), neteller (free), Skrill/moneybookers (free)

## Trading methods



60 sec



Up-Down



Speed-trade



Option builder





Well done!  
Don't stop learning.  
Have success!