



BANC DE BINARY
SIMPLICITY PAYS

Trade the World

with Banc De Binary



Finally, everyone has access to the financial markets from the comfort of their computer or mobile.

Everyone can trade the world around them in the simplest way possible - up or down - whether they are trading on their country's currency, their favorite tech firms, or the coffee they drink.

Oren Laurent
Founder

The amazing advancements in internet technology have made it possible for just about anyone to trade the world. That's why this trader's guide to Binary Options has been designed to introduce you to the benefits of trading the binary way, and navigate your way through the financial wilderness.

This eBook contains the tools you need to start investing in your future sooner rather than later. You will be empowered to diversify your portfolio, whilst gaining market knowledge, and will discover the 200+ assets available for you on the trading platform.

To help you trade successfully, this eBook will also highlight some of the most important trading events on the financial calendar. Now is a better time than ever to get in touch with the pulse of the markets!

Let's get started.

What is a Binary Option?

Binary Options, also known as fixed-return Options, allow traders to profit from fluctuations in the market price of a wide variety of assets.

Traders of this security decide whether the market value of an asset will be higher or lower after a certain amount of time elapses.

With potential payouts of an additional 70% to 91% of the investment amount on any given trade, this form of financial trading is increasingly gaining popularity amongst novices and experts alike.

Two numbers are taken into account in this form of trading.

(1) The Strike Rate (The market price when you entered the position).

(2) The Expiry Rate (The market price when the option expires).

As the trader, you must predict whether the Expiry Rate will be higher or lower than the Strike Rate. In other words, will the value of the asset go up or go down?

Hence the term “Binary” which means “two.” The Banc De Binary platform offers “Call” options, should you decide to predict an increase in price, and “Put” options, should you decide to predict a decrease in price.

How To Trade

Step 1: Login to the website.

On the top right-hand corner of the Banc De Binary website, you will find a place to enter your Email, and password. Opening an account is free, but you must fund your account in order to begin placing trades.

Welcome, Guest. Please Login or Register
12:27:39 GMT 25 March 2015

Email Password

[Forgot your password? Click here to recover \(24/7\)](#)

Step 2: Select an asset you're interested in.

Assets can fall into one of four possible asset classes. Have a look at page 17 to view your choices.



Step 3: Choose an expiry.

Expiries range anywhere between 60 seconds, and several months, depending on how you wish to trade.

Step 4: Choose an investment amount.

The minimum investment amount is \$1, but traders are also empowered to trade in the thousands should they wish. Traders are encouraged to trade responsibly, and understand their risk-reward tolerance.

Step 5: Choose a direction.

Click the “Call” or “Put” Button.



Getting In Tune with the Economy



It is no secret that financial traders are amongst the highest earning workers in modern society. But what do these professionals actually do? And what makes a financial trader successful?

The answer is simple: they are in tune with the global economy. They understand what makes Facebook stock rise and fall, and what makes the price of Oil rise and fall. In short, they spend all day predicting the market's next move, and if you learn how the economic machine works, you too can join this elite group of high earners.

Binary options trading is amongst the simplest ways to trade online. It is a direction-based form of trading, whereby traders can profit by predicting the future direction of a given asset. The Banc De Binary platform in particular, divides the Financial Markets into four groups: Stocks, Currencies, Commodities, and Indices.

Before we begin learning about the different types of markets, and the different assets within those markets, we must first understand the basic methods by which financial analysts predict the future direction of these assets.

At the heart of all financial analysis is Supply and Demand. Just like any real-world marketplace, Supply and Demand is the underlying principal – the foundation – of whether an asset increases or decreases. That being said, analysts use a variety of analysis methods to forecast the future.

Sentiment Analysis

Assets are driven by more than just how well a company is doing. A company's profits don't change that quickly. But, our notion of what those profits mean is what's changing all the time. Sentiment analysis is important because it provides insight into whether a market will become a buyer's market or a seller's market.

Popular social media sites like Twitter and Google Trends currently have divisions where users can search how many people are talking about, or searching for, a specific topic. These platforms help financial experts analyze how popular particular companies are amongst the general public, and traders, in general.

When the amount of traders that wish to buy is greater than those that wish to sell, the price of an asset will rise. On the flipside, when the majority of traders wish to sell, the price will decrease. Therefore, analysts must constantly analyze whether traders are optimistic or pessimistic about an asset.

Technical Analysis

Technical analysis is another method of forecasting future price, and is based on the premise that we can analyze the past in order to predict the future. This form of analysis is based on charts and graphs. Experts use economic indicators which indicate the direction the market will likely move next.

It's important to note that, more than anything else, it's the traders themselves that grant significance to these indicators with their trades, and therefore allow them to move the market.

Here are the top 3 most popularly used indicators.

1. Support and Resistance

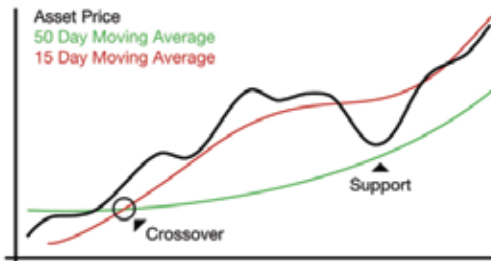


Resistance and support levels are lines on a price graph at which technical analysts expect the price of an asset to bounce back after a decline (the support level), or reverse following an increase (the resistance level).

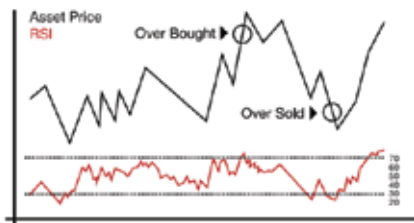
2. Moving Averages

A moving average plots the average value of a tradable asset over a given period of time. Moving averages therefore allow investors to see long-term trends more clearly.

When a short-term moving average crosses above a long term moving average, it signals that the asset will likely move upwards. Conversely, when a short-term moving average crosses below a long-term moving average, it signals that the asset will likely move downwards.



3. RSI



RSI stands for Relative Strength Index. It's a measure of recent gains and losses that shows traders whether an asset has been over-bought or over-sold. RSI is measured on a scale from zero to 100. When the RSI of an asset breaks 70, it is likely that it has been

over-bought and is heading for a price reversal.

Conversely, an RSI of 30 or less indicates an asset has been undervalued recently.

Fundamental Analysis

Fundamental analysis states that data determines the pulse of the markets.

This method of analysis is divided into two groups:

(A) Data whose date and time of release is not known in advance.

This first sub-category includes news regarding global affairs, and the sudden announcement of new products. In the age of the internet, especially, new information regarding the assets we're most interested in can reach traders literally at any time of the day, or week.

In the following chapters, we will discuss the wide variety of news pieces which affect how traders feel about particular assets, and can therefore, have immediate and real effects on the markets.

(B) Data whose date and time of release is known in advance.

This form of Fundamental Analysis entails a strict adherence to the economic data releases found on the Economic Calendar.

This data includes reports released about different sectors of the economy, covering everything from manufacturing and employment, to the rate of inflation. In financial circles, these data releases are commonly referred to as trading events, because they create fantastic opportunities for profits for those who interpret their effects successfully.

Prior to these events, the financial analyst community will usually release the expected numbers before the actual event. In other words, economists will attempt to forecast the numbers before they are officially reported.

When the official (reported) data deviates greatly, or even slightly, from the forecasted data, the markets can often fluctuate significantly in response.

In order to successfully trade these events, it is important to stay updated on the Economic Calendar, and do your homework before the official data release.



Asset Groups



Stocks

Stocks are amongst the most popular securities traded around the world, and there's a very good reason for why that is. They allow us to participate in the highs and lows of the companies we know and love most. A stock is, technically, a share of a given company, and when the value of that company rises, it often translates to the value of its shares rising.

Important Data Influencing Stocks:

- a) Quarterly earnings reports – Four times a year, publicly-traded companies are obliged to release the data which most reflects their health, including: revenues, costs, profits, and much more.
- b) Law Suits – will usually have negative effects on a stock.
- c) New Products or Services – are usually good for business.

In the Spotlight: Tesla

When Tesla Motors Inc. launched its initial public offering in June 2010, traders on Wall Street knew that this was a company that was going to make some noise. Eight years earlier, its founder, Elon Musk, had sold his startup, PayPal, to eBay for a whopping \$1.5 billion.

Since its IPO, Tesla has climbed the ranks of the electric automaker companies. By offering the smoothest ride at an affordable price, Tesla stock has earned phenomenal popularity in a very short time.

Currencies

The foreign exchange markets can average over \$5 trillion per day. That's a lot of money changing hands. All around the world, traders and analysts alike monitor the news which most affects these volatile markets.

Traded in Pairs

The most important thing to understand about currency charts is that they always measure a given pair.

Let's take the EUR/USD pair for example. If you think the Euro will strengthen relative to the US Dollar, you should place a "Call" option, believing that the pair will rise. If you think the Euro will weaken relative to the US Dollar, you should place a "Put" option.

EURO / US DOLLAR

The Currency on the left (the Euro here) is known as "the base."

The Currency on the right (the USD here) is known as "the counter."

*Lauren Carmouche
Senior Analyst*

Understanding the events which matter most to the value of a currency is necessary for those who wish to trade these events successfully.

Important Data Influencing Currency Pairs:

a) Employment – Events like the US NFP measure monthly changes relating to employment figures of a given population. These data releases can be incredibly influential, and you don't want to miss them.

b) EU Minimum Bid Rate – This event relates to the interest charged by the European Central Bank for loans it gives the banks spread across Europe's 27 member states.

c) Trade Balance – This report relates to the imports and exports of a given country. When exports are greater than imports, this is a good sign for a country's economy, and could translate into an increased value to its currency.

In the Spotlight: Euro/US Dollar

The Euro has been incredibly volatile recently, especially due to the economic turmoil in Greece. Meanwhile, the US Dollar Index, a measure of the USD's strength relative to a basket of major currencies, has been reaching all-time highs.

For binary traders, these episodes have created fantastic opportunities for profit, as traders are empowered to make money both when the market price of this pair rises, or falls.

Commodities

Gold, Oil, Silver, and Platinum are amongst the most popularly traded commodities in the world today. These are real-world resources changing hands for any number of reasons.

The value of major commodities, like Coffee, can also have an effect on the companies which most rely on them, in this case, Starbucks.

Important Data Influencing Commodities:

- a) Surplus – As we've been seeing with Oil, the unceasing production by Saudi Arabia and America has caused the commodity to decrease in value.
- b) War – When war breaks out near or around shipping ports, it could easily affect the transfer of commodities.
- c) Natural Disasters and Draughts – Weather can have dramatic effects on the supply of these commodities.

In the Spotlight: Gold

Historians have proved that even ancient societies, such as Egypt and Athens, treasured Gold as a commodity: Long before the days of paper money, Gold coins were used to trade goods all over the world.

Today, Gold is considered the safe haven against paper currencies, like the US Dollar. This means that when the US Dollar is falling, traders are prone to fall back on the oldest security around, yellow metal.

Indices

An Index tracks the performance of a large group of companies. For example, the S&P 500 consists of 500 outstanding American stocks. There are indices for markets all over the world. Whether you're interested in trading large clusters of German, American, French, or European companies, indices can be an attractive choice.

Important Data Influencing Indices*:

a) Industrial Production - These figures measure the change in the total value of industrial production for a country or economic region.

b) GDP – Gross Domestic Product refers to the aggregated value of all goods and services produced by a country or economic region.

c) Building Permits - The approval of a Building Permit is one of the first steps that have to be taken before starting a new building. As such, this report is a very reliable indicator of the future progress of an economy.

In the Spotlight: Shanghai Composite Index

As the second biggest economy in the world (second only to America), it is no surprise that investors have flocked to the Shanghai Composite Index.

This index contains all the stocks of the Shanghai Stock Exchange, founded in 1990, and currently consists of nearly 1000 of China's finest companies.



Mind over Heart



Every good trader knows the value of a winning state of mind.

It's important to remember that the financial markets take no prisoners, which is why you should keep cool while trading during both rough times and good times. The greatest tool you have to increase the capital in your trading account is your own mind. Trading successfully necessitates both dedication and perseverance, and our experience has shown that the best traders are those who are ready to buckle down and learn.

Remain Aware of Your Emotions

Emotions can cloud your judgement during both times of great happiness and great frustration.

Say, for example, that you make €500 within 5 minutes on a currency trade. It is natural to experience great elation, and a feeling of over-confidence during these times. After all, money is very dear to us, and it gives us the freedom to shop as we please, eat out, take vacations, buy necessities, and so forth.

Nevertheless, when trading one must detach emotionally from the activity, and utilize one's rationale.

Conversely, we must also keep cool after a losing trade. Even the best traders will make mistakes sometimes. It is part of being a financial trader. However, new traders are often inclined to double down when the market is not moving in their direction. Instead of cutting their losses, they do something frantically to try and cover their losses. This is a losing strategy.

Risk Management

When planning your trading strategy, it is crucial to understand how much you can stand to lose, while also maximizing your potential for large profits.

Imagine, for example, that you are starting your own business. If you were to open up a small restaurant, you would need money to rent out a place, design the interior, buy the oven, etc. It is rare to hear about people making money without putting at least some money at risk.

The greatest traders are those who take the right risks, at the right time. Just like the task of opening a small business is essentially a game of risk management, so too is trading.



How Can We Help?



We hope we didn't give you the impression that this eBook was the be-all and end-all of your financial education.

Our educational philosophy has always been that traders learn better over longer periods of time. That's why we disperse our educational materials over the course of a customer's journey.

As you continue your path with Banc De Binary, we encourage you to take advantage of the following resources:



Educational Webinars: Hosted by our financial analysts, these webinars also include Q & A sessions where clients can probe our analysts with the questions they want answered.



Email Updates: We encourage traders to trade like the pros, and stay aware of the financial calendar. The currency markets, in particular, react to a wide range of data releases. Emails allow us to keep traders notified on these upcoming trading events, and provide them with the insider scoop they need to make winning trades.



Live Customer Support: We believe that trading doesn't have to be a scary experience. Our customer service representatives are always happy to assist clients in every step of the way. Speak to a Banc De Binary representative today about the wondrous opportunities of binary options trading.

OPEN AN ACCOUNT TODAY