

Lesson 6

CHOOSING THE EXPIRY TIME

All beginners ask the same question, what is the best timeframe for trading, in other words how to choose the expiry time. The answer is quite simple: higher timeframe means higher accuracy of the forecast and lower probability for the market noise to mislead you.

Use 5, 15 or 60 minute timeframe for chart analysis if you decided to trade 1 hour or 30 minutes options.

In any case, it's your decision. Because depending on experience and psychology different traders will trade differently on different timeframes. Choose your approach, don't rush and test your strategies.

QUANTITY OF STRATEGIES NOT ALWAYS MEANS QUALITY

Let's look at another misconception. To be more specific, we will look at the Holy Grail or 100% winning strategy. Forget about this kind of strategies, they do not exist. There are strategies that give advantage over the market, but this also depends on you. There is a fact: one person can have excellent results, while another constant losses. That's why don't be tempted to use all strategies and indicators available, don't rush and watch your temper. No one had good results when rushing; this is the road to nowhere.

It does not mean that testing should be abandoned and it's not necessary to learn something new. At the start, beginners should only use simple strategies, which will be described below. Pick a strategy, test and tweak it for the couple of weeks. Check the results, because few losing trades don't mean anything. You should understand this strategy and trade it without any doubts and psychological stress. Even a dozen of test trades will not show you an objective picture and will not give you reliable statistics. So the rules are: chose one strategy and test it, don't forget to write down all your results where you'll have statistics of successful trades.

WHAT IS THE BEST TIME FOR TRADING

You can trade binary options from Monday to Friday. On weekends mostly one touch options are available.

One of the most difficult days to trade is Monday and Friday. That's why you should not start trading Monday morning. Wait for the afternoon, when market will settle. Tuesday market usually reverses or bouncing of strong support or resistance levels. On Wednesday, after the bounce a strong trend might be dominating. Thursdays usually trend continues for a short time and also might find a strong support

Between 13:00 and 17:00 GMT we have the U.S. and the European sessions open at the same time. This is the best time of the day to trade. Volatility and volume is good in all currency pairs. Some of the most important economic releases appear during this period, and this brings good opportunities for Binary Options traders too! Follow this link to see Market Trading Sessions and customize your time zone: <http://4exforlive.blogspot.com/2011/01/time-zone-converter.html>

Assignment:

1. *Analyze markets at the Trading Session opening times.*
2. *Compare the behavior of various assets in relation to the trading sessions.*
3. *Find the most convenient time for trading and stick to it.*

In the next lesson we will look into few trading strategies and will try to find an optimal one for you.