



BINARY OPTIONS TRADING SYSTEM IN A DIARY

2015

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Disclaimer

Information and strategies contained in this guide are intended as educational information only and should not be used as a sole trading guide. International currency, stock index or commodity prices can be highly volatile and unpredictable. Past performance is no guarantee of future results and strategies that have worked in the past may not work in the future. Binary options trading involves a high level of risk and may not be suitable for all customers. The value of any trade and income derived from it, can go down as well as up and your capital is at risk. Although due care has been taken in preparing this document, we disclaim liability for any inaccuracies or omissions.

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By Vernon Lees

Chapter 1

About

This diary has been written by me, **Vernon Lees**. I have successfully traded binary options, also known as fixed odds trading, for over 10 years.

I provide a binary options signal service at <http://www.binaryforexsignals.com/> where I share all trades from my core strategies. The trades are sent as signals to members on Monday mornings and Friday evenings. I do not consider myself an aggressive trader; most of my trades are “medium term” in that they run for 4 – 7 days. This is a time frame I am comfortable with and it also allows plenty of time for others to act upon my signals.

Although this diary is not my core trading strategy, it is something I have been compiling, sharing with others and trading since 2008. I consider the returns I make from this, my “pocket/holiday money” for the year.

The diary is based on my own analysis of monthly data which I conduct across many financial instruments, including Forex, Indices and Commodities.

The aim of the diary is to provide an “automatic” binary options trading system (list of trades) for the year ahead, based on historic mathematical probabilities where I have (at least) a 60%+ chance of winning. This may not seem like a lot to some but it means that I am (at least) 150% more likely to win than I am to lose.

My analysis allows me to identify these high probability monthly trading opportunities in the market, up to 12 months in advance. I hope you enjoy the system and the diary.

SPECIAL OFFER

If you like my diary and the easy trading it provides, you might also like the weekly signals I send on Mondays and Fridays as part of my trading signal service. These are based upon my core trading strategies and are designed to help you get the most from your Binary.com account.

I will also include, as part of this service, a monthly email reminder detailing all of the trades as listed in this diary for the month ahead.

<http://www.binaryforexsignals.com/>

Chapter 2

The Strategy

I conduct analysis for this strategy across many different instruments including Forex (e.g. GBPUSD, EURJPY, NZDUSD), Indices (e.g. the S&P and the Nikkei) and Commodities (e.g. Gold).

My process includes analysing monthly data for over 30 different instruments. At a minimum I consider at least the most recent **10 years worth of data** and for some markets, much more.

During the process, I look to identify high probability trades for the year ahead that run from the beginning of the month to the end of the month. I am primarily interested in 3 different high probability trade types:

- **High Risk Trades** that have a 60%+ chance of winning
- **Medium Risk Trades** that have a 65%+ chance of winning
- **Low Risk Trades** that have a 70%+ chance of winning

Although I class a 60%+ chance of winning trade as high risk, please bear in mind that, **even my high risk trades have a high probability**, 150% (2 in 3) chance of winning. More on this and the other trade types in the next chapter...

To summarise, the aim of my analysis is to identify monthly trading opportunities, where the **historic mathematical probability** indicates the likelihood that a specific instrument will finish HIGHER or LOWER at the end of a specific month is 60%+, 65%+ or 70%+.

***Any opportunity where the chance of winning is less than 60%+
and I am simply not interested.***

Chapter 3

The Trade Types

It is important to understand the trade types:

- **High Risk Trades (HRTs)** have a 60%+ chance of winning
- **Medium Risk Trades (MRTs)** have a 65%+ chance of winning
- **Low Risk Trades (LRTs)** have a 70%+ chance of winning

Regardless of the trade type, we will be looking for a 100% return on every trade we place. This means we will look to risk, say, £100 to make £100, on every trade.

High Risk Trades (HRTs)

As mentioned previously although I class a 60%+ chance of winning trade as high risk it is important to note this:

A HRT will win 60 times out of 100 which means it will lose 40 times out of 100. 50% of 40 is 20 so a HRT is in fact a high probability trade.

It will win 150% of the time, it has a chance of winning 2 out of every 3 times it is traded.

Let's put this into context. If we place 100 HRT trades a year at 3% risk per trade we will make $60 * 3\%$ (180%) and lose $40 * 3\%$ (120%) which means we will make a net profit of 60% at the end of the year.

Medium Risk Trades (MRTs)

These trades fall in the middle of the LRTs and HRTs.

An MRT will win 65 times out of 100 which means it will lose 35 times out of 100.

This means a MRT will win 185% of the time. It has a chance of winning almost twice as often as it loses.

Again, let's put this into context. If we place 100 HRT trades a year at 3% risk per trade we will make $65 * 3\%$ (195%) and lose $35 * 3\%$ (105%) which means we will make a net profit of 80% at the end of the year.

Low Risk Trades (LRTs)

These are the types of trade we love but of course due to their nature they are less frequent than the other two.

A LRT will win 70 times out of 100 which means it will lose just 30 times out of 100.

This means a LRT will win 233% of the time, it has a chance of winning at least twice as often as it loses.

As always, let's put this into context. If we place 100 LRT trades a year at 3% risk per trade we will make $70 * 3\%$ (210%) and lose $30 * 3\%$ (90%) which means we will make a net profit of 120% at the end of the year.

Assumptions:

Before we go any further let's look at some assumptions:

- We will aim to place about 80 trades a year. Give or take a trade or two we should not be far from this number, an acceptable objective.
- We will aim to place all trades for a 100% return. This means that for every trade we lose we will lose 3% of our account balance. For every trade we win we will make 3% (of our account balance). Of course it will not always be possible to get 100% on every trade; however, over time, those trades we take yielding slightly better and those slightly worse than 100% should balance each other out.
- Historical data has allowed us to accurately calculate our trading opportunities. Historical data has and will be used for many years to help predict the future, so it gives us a reasonable point of reference.

Before we look at the actual diary (and of course the trades) we will first look at how we can get the most from it...

Chapter 4

Using The Diary

IMPORTANT:

This diary assumes a certain degree of knowledge of binary options and thus no reference has been made for beginners.

If you are new or relatively new to binary options there is great information on the [Binary.com](https://www.binary.com) website; for this reason, I saw it pointless to repeat this information in this diary.

What follows are some suggestions based on my own trading experience and the feedback received over the years on past editions.

Risk

No trades in this diary *in terms of probability* are really risky. All trades have a minimum 60%+ strike rate based on historical probabilities. However, you may decide that you only want to trade the Low Risk Trades (LRTs) and, of course, that is fine. Just don't expect so much trading frequency.

Risk (Per Trade)

The diary consistently refers to 3% risk per trade. This is because it is a reasonable guideline but you could of course risk more or less. This is a matter of preference. Do bear in mind that at times you may find that you are running with a number of open trades. Let's say there are 7 monthly trades running, at 3% risk per trade that's a total of 21% (7 trades * 3%) of your account exposed to the market. This may be acceptable to some but not to others. Some may be more comfortable with 2% (14% risk in the market) whilst others will be fine with 4% (28%) at risk. It's a matter of preference.

It is always important to remember that market movements can be unpredictable, even when probability is on your side.

100%

The ideal balance mentioned previously is 100% return per trade. This is even more applicable due to the fact that the trades we will be placing are HIGHER/LOWER trades. Sometimes the return on offer may be 80%, maybe 65%, sometimes it will be 105% or even 130%. Obviously with 105% or 130% on offer it's fine to just place the trade. When the return is not in our favour then there are two options. Wait a while and check back later to see if a better return is available or, simply take what's currently on offer. Again, it's a matter of choice. ***Overtime, all being fair, things should even out so that we should hit our average of 100% return per trade.***

Expected Returns

A typical month will see us placing 7 trades, occasionally less, occasionally more. For convenience sake let's say we will place 80 trades a year.

As we know, for all trades we aim for a 100% return and we only place trades where the historic mathematical probability indicates the likelihood that we will win 60%+, 65%+ or 70%+.

If we can hit just a 60% win rate, at 3% risk per trade we can expect to make a return of 48% (48 winning trade at 3% minus 32 losing trades at 3%) over the year, for less than a few minutes a day a few days a month.

Of course we could be either side of this line so let's examine two other scenarios. If we drop down to a win rate of 55% we would make a 24% return and if we manage a 65% win rate we would then make 72% over the year.

2015 DIARY NOTE:

This year there are only 68 trades meeting our high probability criteria.

However, this does still mean that if we can hit just a 60% win rate, at 3% risk per trade we can expect to make a return of around 40%+ over the year, for less than a few minutes a day a few days a month.

Trading Platform

All my signals and this diary are designed to be used on [Binary.com](https://www.binary.com), click below to open an account:



Chapter 5

The Trades

What follows now is the diary itself. Trades are listed month by month in trade type order. While they are fairly self explanatory let's walk through an example so you know how to read and trade the diary entries.

Let's take a look at the following example from Friday 2nd January:

EUR/GBP
to finish LOWER
at the end of the MONTH
LRT 70%+

Below I have broken down each part of the diary entry.

EUR/GBP - The asset to be traded is listed first. In this case it is the EUR/GBP Forex Currency pair.

LOWER – Where price will Close (in relation to the Open) at the end of the timeframe specified.

MONTH - The timeframe the trade will run for - The end of the month.

LRT 70%+ - The trade type. In this case it is a Low Risk Trade (LRT) with a 70%+ probability of success based on the historical data.

To place the signal, first find this month's opening price. To do this open a monthly candlestick (or bar) chart on [Binary.com](https://www.binary.com) for the asset to be traded. Then, check the opening price for the current month by hovering over this month's (the current) candle (OHLC, O = Open).

Now, open a position on your [Binary.com](https://www.binary.com) account (for, ideally, a 100% or better return) in line with the information in the diary entry and your risk profile.

That's it!

TIME SAVER!

This process is actually made even easier for you because if you click on the link for any diary entry you will be taken straight to the asset and the Higher/Lower trade type on the Binary.com website for that specific diary entry, see below:



Then, if you haven't already done so, you need to find the open price you need (from the monthly chart) and enter that value into the barrier field.

Enter the correct end time (the last trading day of the month) and your payout. Check the Return (percentage) on offer for the appropriate direction (Higher/Lower) and if it's acceptable to you, place your trade.

Chapter 6

The Diary

January 2015

FRIDAY 2ND JANUARY

[EUR/GBP to finish LOWER](#) at the end of the MONTH – LRT 70%+

[EUR/AUD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[EUR/CAD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[GBP/AUD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[AUD/JPY to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[US Index to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[USD/CAD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

February 2015

MONDAY 2ND FEBRUARY

[GBP/AUD to finish LOWER](#) at the end of the MONTH – LRT 70%+

[AUD/USD to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/AUD to finish LOWER](#) at the end of the MONTH – HRT 60%+

[GBP/CAD to finish LOWER](#) at the end of the MONTH – HRT 60%+

March 2015

MONDAY 2ND MARCH

[GBP/JPY to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[US Index to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/JPY to finish HIGHER](#) at the end of the MONTH – HRT 60%+

April 2015

WEDNESDAY 1ST APRIL

[NZD/USD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[GBP/USD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[US Index to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[GBP/JPY to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/AUD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[EUR/CAD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[AUD/USD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

May 2015

FRIDAY 1ST MAY

[AUD/USD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[EUR/AUD to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[GBP/USD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[EUR/JPY to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/GBP to finish LOWER](#) at the end of the MONTH – MRT 65%+

[EUR/CAD to finish LOWER](#) at the end of the MONTH – HRT 60%+

[NZD/USD to finish LOWER](#) at the end of the MONTH – HRT 60%+

June 2015

MONDAY 1ST JUNE

[EUR/CAD to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/GBP to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[GBP/JPY to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[NZD/USD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[GBP/USD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

July 2015

No trades this month

August 2015

MONDAY 3RD AUGUST

[EUR/JPY to finish LOWER](#) at the end of the MONTH – LRT 70%+

[AUD/JPY to finish LOWER](#) at the end of the MONTH – LRT 70%+

[GBP/CAD to finish LOWER](#) at the end of the MONTH – LRT 70%+

[AUD/USD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[USD/JPY to finish LOWER](#) at the end of the MONTH – HRT 60%+

[GBP/USD to finish LOWER](#) at the end of the MONTH – HRT 60%+

[GBP/JPY to finish LOWER](#) at the end of the MONTH – HRT 60%+

September 2015

TUESDAY 1ST SEPTEMBER

[GBP/USD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[EUR/USD to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[GBP/JPY to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[USD/CAD to finish LOWER](#) at the end of the MONTH – HRT 60%+

[GBP/AUD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[NZD/USD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[EUR/AUD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[GOLD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[Japanese Index to finish LOWER](#) at the end of the MONTH – HRT 60%+

October 2015

THURSDAY 1ST OCTOBER

[AUD/USD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[GBP/JPY to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[NZD/USD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[AUD/JPY to finish HIGHER](#) at the end of the MONTH – HRT 60%+

November 2015

MONDAY 2ND NOVEMBER

[USD/CAD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[S&P to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[AUD/JPY to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[EUR/GBP to finish HIGHER](#) at the end of the MONTH – MRT 65%+

[GBP/AUD to finish LOWER](#) at the end of the MONTH – MRT 65%+

[Japanese Index to finish HIGHER](#) at the end of the MONTH – HRT 60%+

[GBP/USD to finish LOWER](#) at the end of the MONTH – HRT 60%+

[GOLD to finish HIGHER](#) at the end of the MONTH – HRT 60%+

December 2015

TUESDAY 1ST DECEMBER

[Japanese Index to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[US Index to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[AUD/JPY to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[EUR/CAD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[EUR/GBP to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[EUR/JPY to finish HIGHER](#) at the end of the MONTH – LRT 70%+

[NZD/USD to finish HIGHER](#) at the end of the MONTH – LRT 70%+

Chapter 7

Thank You

I hope you enjoy the system and the diary and, once again, I welcome you to visit <http://www.binaryforexsignals.com/> to check out my signal service.

SPECIAL OFFER REMINDER

If you like my diary and the easy trading it provides, you might also like the weekly signals I send on Mondays and Fridays as part of my trading signal service. These are based upon my core trading strategies and are designed to help you get the most from your Binary.com account.

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