Article Side

Binary Options: Trading or Gambling? by Markbenson

Article published on March 1st 2012 | Finance

Ever since the devastating earthquake, tsunamis, and the subsequent nuclear crisis that have rocked Japanâ€"not to mention the waves of discontent and revolution currently sweeping through the Middle East like a sirocco off the desert--speculation over the affects of these events upon global economics and trade has moved well beyond the strategic command centers of hedge funds and Forex exchanges to include the most volatile and potentially profitable trading platforms employed by todayâ€™s active investors and traders.

Questions about the value of the Yen, the price of oil, and the future of certain high profile automotive, tech, and environmental stocks; along with questions about the very health of the U.S. economy, have given rise to a surge in options trading by the individual investor. Chief among these are the nouveau trading instruments known as online binary options and in recent weeks their volume has soared. These Internet trading platforms which have sprung up in the last few years and are now proliferating on an almost daily basis throughout the world, are today at the forefront of short-term options trading.

Offering the intrepid options enthusiast a fast and unusually high return on investmentâ€"sometimes in a matter of minutes for a 75% return or more--these â€œall-or-nothingâ€• digital instruments are the hot new game on the Internet and are growing in popularity with the individual investor. Though binary options, also known as digital options, have been available Over the Counter for years, it is only since 2008 with their introduction by the American Stock Exchange and the Chicago Board Option Exchange that traders have begun to take notice.

For those who are unfamiliar, a binary option is one in which the trader assumes the position that a particular asset will either go up or down in value beyond a predetermined level, in a fixed period of time, with a predetermined payoff. In the minds of some, it is sort of like putting $100 on red at the roulette table, knowing that at the expiration of the option period (when the wheel stops spinning) you will either double your money or lose it all.   Though that particular analogy may seem a bit simplistic, it is however, how many view the binary options market, and rightly so. Take the website, About.com, which defines binary options trading as, â€œgambling that can be used as an alternative to regular day trading;â€• or the company, binarybettingoptions.com, an online trading site which makes no bones about the business they are in. In fact, in the United Kingdom, the term â€œbinary bettingâ€• is much more common than the phrases, â€œbinary optionsâ€• or â€œdigital options,â€• and most of the Bri binary options trading companies will let you â€œbetâ€• on commodities, stocks, indices, and football.

Today, a Google search of â€œBinary Options Tradingâ€• brings score of results, most of them for off-shore websites with explosive names. All of these websites have a number of things in common:

- They all have flashy banner ads that promise Big Profits, Easy Profits, Fast and Easy Returns, and the like

- They all are almost completely devoid of any Education, Market Analysis, Trading Tools and Strategies

- They all have all seen huge volume in recent weeks in Oil, Gold, and the USD/JPY currency pairing, in response to events in the Middle East and Japan.

At the other end of the spectrum of binary options trading companies are AMEX, now integrated into the New York Stock Exchange--now known as NYSE Euronextâ€"the Chicago Board Option

Exchange, and the Wall Street-based Banc De Binary, a global binary options enterprise with operations in over 80 countries globally.

Article Source:
http://www.articleside.com/finance-articles/binary-options-trading-or-gambling.htm - Article Side

Markbenson - About Author:
a Binary Bank
a Bank options
a Options bank

Email:
support@binarybank.com

Article Keywords: