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Touch Trading in Binary Options by Jeremytrait

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Touch trading is a new family member of binary options trading. Touch trading is quite similar to Forex trading and follows the same principal. Touch trading option is a type of binary option that gives an investor a payout once the price of the underlying asset reaches or surpasses a predetermined barrier. This type of option allows the investor to set the position of the barrier, the time to expiration and the payout to be received once the barrier is broken.

In touch trading, you must predict if an asset will touch a set strike any time before the time of expiration. If you predict correctly, and the price of the asset touches the strike price before the time of expiration, you will be in-the-money and receive a pre-determined payout, usually between 70% â€“ 85% depends on brokers.

Touch Trading Options offers investors a great choice to get huge return in a short amount of time. You must consider before you start trading touch options as they are highly risky. It is recommended that only investors who have good knowledge of the asset they are trading should make use of the touch trading option. The price of a Touch Option will depends on the over-hedge and the bid-ask spread. The spread in turn depends on the currency pair and the client.

Some traders prefer to hedge and trade Touch Trading Options like a rebate in order to secure compensation in the case their trade is unsuccessful. One-touch options are often integrated into structured products to increase the returns on forward and interest rates.

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Jeremy Trait is an analyst and writer in a binary options community. He is enriched with lots of a binary options trading strategies. He is also well known for writing a binary options broker reviews.

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