## TRADER'S MANUAL



# Automate Deriv Synthetic Indices Trading — Complete Guide to Bots & Profitable Strategies

[Edition 1.0]

# Automate Deriv Synthetic Indices Trading

Complete Guide to Bots & Profitable Strategies

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This eBook is an **independent educational resource** and is **not affiliated with, endorsed by, or sponsored by Deriv.com**. It is designed to help traders understand **Synthetic Options and automated trading strategies**.

Trading on Deriv involves **risk**, and there are **no guarantees of profit**. Users are responsible for their own trading decisions. The author **does not provide financial advice** and **are not liable for any losses** incurred from using the information in this book.

## Before You Begin

**Binogator** is an automated trading app tailored specifically for Deriv traders, designed to simplify strategy execution and enhance trading efficiency. Whether you're a beginner exploring Synthetic Options or an experienced trader looking to automate strategies, Binogator provides a seamless way to trade with precision, speed, and ease.

#### This guide is for...

- New traders looking to understand **Deriv's options trading**.
- Experienced traders wanting to **automate strategies**.
- Anyone interested in **Synthetic Indices & risk-managed trading**

#### This eBook is designed to...

- Introduce you to Deriv's Synthetic Options Understand key trade types and how they work.
- **Guide you through strategy automation** Learn how to set up and optimize trading bots with Binogator's enhanced automation features.
- **Provide insights on market analysis** Discover how to analyze Synthetic Indices effectively for better trade decisions.
- **Teach risk and capital management** Minimize losses and maximize profitability with smart money management techniques.
- **Debunk common trading myths** Avoid misconceptions and trade with confidence.

By the end of this guide, you'll have the **knowledge and tools** needed to **automate and optimize your trading journey on Deriv** with **Binogator**.

#### Get Started

- o <u>Open a free Deriv account</u>
- Access Binogator on the Web
- o <u>Download Binogator Android App</u>
- Join Binogator Chat Group

This e-book provides a **practical foundation** for mastering **Deriv Synthetic Indices trading**, with an emphasis on **automation and risk management**. Ready to take your trading to the next level? Let's go! **2** 

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## 1. Introduction

#### What is Deriv?

Deriv is an online trading platform offering a variety of financial instruments, including **Synthetic Indices**, which are uniquely designed to simulate real-world market movements without external economic influences.

Unlike traditional brokers, Deriv specializes in **Synthetic Indices**, which operate **24/7 with consistent volatility** and no external market influences, making them ideal for traders seeking a controlled environment. The platform supports **forex**, **commodities**, **and digital options**, allowing users to diversify their strategies.

#### Understanding Synthetic Indices

Unlike forex and stock markets, **Synthetic Indices** are artificial markets that run 24/7, free from news events or economic policies. They include instruments such as **Volatility Indices, Crash/Boom Indices, and Step Indices**.

**Synthetic Indices** are algorithmically generated financial instruments designed to **simulate real market conditions** while being free from external economic events, news, or geopolitical influences. They are created using **random number generators (RNGs) with cryptographic hashing**, ensuring **fairness, transparency, and predictability** based on predefined volatility models.

Each index, such as **Volatility 75, Boom/Crash, or Step Index**, follows a set of mathematical rules that mimic real market behaviors like **trending, ranging, and sudden price movements**. Because they are **non-manipulable and run 24/7**, Synthetic Indices provide traders with **consistent volatility** and **uninterrupted trading opportunities**, making them ideal for both manual and automated strategies.

#### **Understanding Options**

Options are defined as financial derivatives that give traders the right, but not the obligation, to buy or sell an asset at a predetermined price within a specified timeframe.

Imagine you want to **guess** whether the price of something (like a stock, currency, or in this case, a synthetic index) will **go up or down** in the next few seconds, minutes, hours, or days.

You stake an amount of \$1 with a potential return of \$0.95.

# ✓ If your guess is right, you make money (\$0.95 profit). ✗ If your guess is wrong, you lose the trade (\$1 loss).

That's the basic idea behind **trading options**.

You're **not buying an asset**—you're just predicting **the outcome of the market**. Your **profit or loss is determined at the end of the chosen duration**.

Factor	Synthetic Options	Forex/Stocks/Commodities
Market Influence	No real-world events,	Affected by news, economic
	pure mathematical	data, and interest rates.
	modeling.	
Trading Hours	24/7, no market closures	Fixed market hours,
	or gaps.	affected by weekends &
		holidays.
Volatility	Predefined volatility (e.g.,	Market-driven,
	Volatility 10, 25, 75).	unpredictable fluctuations.
Liquidity & Slippage	No liquidity issues,	Can suffer from slippage
	instant execution.	due to market conditions.
Trend Behavior	More structured, often	Impacted by fundamental
	follows statistical	and technical factors.
	patterns.	

#### The Role of Automation in Trading

Automated trading allows traders to execute strategies using bots, scripts, or predefined conditions, eliminating emotional decision-making and improving efficiency. Automation has revolutionized trading by **eliminating emotional decision-making**, improving **execution speed**, and ensuring **consistency in strategy application**.

In highly volatile markets like **Deriv's Synthetic Indices**, price movements happen fast, making manual execution prone to **delays**, **errors**, **and emotional bias**. Automated trading allows traders to **predefine entry and exit rules**, ensuring trades are executed **instantly and accurately**, without hesitation or second-guessing.

Moreover, automation **removes the limitations of human endurance**, enabling strategies to run **24/7 without fatigue**—a significant advantage in Synthetic Indices, which never stop trading. Whether using **default tools like DBot** or **third-party apps like Binogator**, automation allows traders to backtest strategies, optimize performance, and scale trading operations efficiently. By leveraging automation, traders can transform **random**, **emotional trading into a structured**, **data-driven system**, improving long-term profitability and risk control.

## 2. Common Terms in Deriv Options

- 1. **Trade Type** The category of option being traded, such as **Rise/Fall, Digits**, **Multipliers, Accumulators**, etc. Each type has different rules for profit and loss.
- 2. **Tick** A **single price update** in the Synthetic Indices market. Each tick represents the **latest recorded price change**, whether up or down. In tick-based trades, price movement is measured over a specific number of ticks.
- 3. **Duration** The length of time a trade remains active before it expires. It can be set in **ticks**, **seconds**, **minutes**, **or hours** depending on the trade type.
- 4. **Prediction Digit** In **Digits trading**, this refers to predicting the last digit of the asset's price at the contract's expiry (e.g., Even/Odd, Over/Under, Matches/Differs).
- Barrier A predefined price level that determines the outcome of certain trades. In Rise/Fall or Higher/Lower options, the price must cross the barrier for a successful trade.
- 6. **Bearish** A market condition where prices are **falling** or expected to fall. Traders may use this trend to place **"Fall" or "Lower" trades**.
- 7. **Bullish** A market condition where prices are **rising** or expected to rise. Traders may take advantage of this trend by placing **"Rise" or "Higher" trades**.

## 3. Trade Types on Deriv

Deriv offers multiple trading options on **Synthetic Indices**, each requiring a different strategy. Let's look some of these which are available by the Binogator platform.

#### **Rise/Fall**

- Predict whether the market will go **up or down** over a specific period.
- Works best with **trend-based** strategies.

Imagine you are watching a **Synthetic Index** on Deriv, and the current price is **1000**. You predict that in the next **5 seconds** after your entry, the price will be **higher** than 1000.

- 1. You select "Rise" as your option trade type.
- 2. You set a trade duration of 5 seconds.
- 3. You enter your stake (e.g., \$10).
- 4. If the price at expiry (i.e., after 5 seconds) is higher than 1000, you win and get your payout.
- 5. If the price is lower, you lose your stake.

#### Higher/Lower

Higher/Lower follows the exact principles as in the Rise/Fall. The only difference between the two trade types is that while **Rise/Fall** checks whether price is higher or lower than **entry** only at expiry, **Higher/Lower** checks whether price is higher/lower than **entry**, **plus barrier**, at expiry.

In other words, **for Higher/Lower contracts you must set a barrier**, which you are predicting the price must cross at expiry.

#### The percentage payout depends on two main factors:

- 1. How far the barrier is from the entry point.
- 2. The set contract duration.

#### Only Ups/Only Downs

- Market moves in only one direction per contract.
- Works best with **volatility-based** strategies.

In **Only Ups** and **Only Downs**, the price moves in **one direction only**—either **exclusively upward (Only Ups) or exclusively downward (Only Downs)**—for the entire duration of the trade.

- **1.** You select **"Only Downs"** as your option trade type.
- **2.** You set a trade duration of 5 ticks.
- **3.** You enter your stake (e.g., \$10).

- **4.** If the price at expiry (i.e., after 5 ticks) **moved downwards successively**, you win and get your payout.
- 5. If the price moved upwards any time before expiry, you lose your stake.

#### Touch/No Touch

- Predicts whether the price will **reach (Touch) or not reach (No Touch)** a predefined barrier.
- Works best in markets with **strong trends or low volatility**, depending on the trade type.

In **Touch/No Touch**, the outcome depends on whether the price **touches a set barrier** at any point before expiry.

- You select **"Touch"** as your trade type.
- You set a trade duration of **30 seconds** and a **barrier** level.
- You enter your stake (e.g., **\$10**).
- If the price **touches** the barrier before expiry, you win and get your payout.
- If the price **never reaches** the barrier before expiry, you lose your stake.

For **No Touch**, the opposite applies—if the price **never touches** the barrier, you win.

#### **Digits Options**

- Predict the **last digit** of an asset's price after a time interval.
- Works best with **probability-based** strategies.
- Digits Includes trade types like **Matches/Differs**, **Even/Odd**, and **Over/Under**.

#### Even/Odd

The **Even/Odd** trade type on Deriv is a **Digits-based options trade** where traders predict whether the **last digit** of an asset's price at expiration will be **even (0, 2, 4, 6, 8) or odd (1, 3, 5, 7, 9)**.

- You are predicting that the last digit after contract duration will be an even (or odd) number (e.g., trading "Odd" means the last digit must be 1, 3, 5, 7, or 9 to win).
- Even/Odd contracts have **50/50 probability** since the last digit is randomly generated.
- No need for technical or fundamental analysis—purely probability-based.

#### **Over/Under**

The **Over/Under** trade type on Deriv is a **Digits-based options trade** where traders predict whether the **last digit** of an asset's price at expiration will be **higher (Over) or lower (Under) than a pre-chosen digit**.

- **Over: You are predicting that** the last digit after expiry **will be higher than** the **prediction digit** (e.g., choosing "1" means the last digit must be higher than "1" to win).
- **Under: You are predicting that** the last digit **must be lower than** the **prediction digit** (e.g., choosing "8" means the last digit must be lower than "8" to win).
- The payout depends on the **prediction digit and contract type combination**. For instance, **Over 7**, will give better payouts but lower win probability than **Over 5**.

#### Matches/Differs

The **Matches/Differs** trade type is a **Digits-based options trade** where traders predict whether the **last digit** of an asset's price at expiration will **match** or **differ** from a prechosen digit.

- **Matches:** The last digit **must be exactly the same** as the **prediction digit** (e.g., choosing "7" means the last digit must be "7" to win).
- **Differs:** The last digit **must NOT match** the chosen number (e.g., choosing "3" means any last digit except "3" wins).
- Matches has **low probability but high payouts**, while Differs has **higher probability but lower payouts**.

#### Multipliers

**Multipliers** on Deriv allow traders to **amplify profits or losses** based on the **multiplier factor** they choose. Unlike traditional leveraged trading, where losses can exceed your deposit, Multipliers allow you to amplify gains while ensuring that your maximum risk is limited to your initial stake.

- Your **stake remains the same**, but the **trade value increases** based on the multiplier.
- Example:
  - If you stake **\$10** and select a **×50 multiplier**, your trade behaves as if it were worth **\$500 (\$10 × 50)**.
  - If the market moves 1% in your favor, you gain 1% of \$500 instead of just \$10.
  - However, if the market moves **1% against you**, you lose **1% of \$500**, which is **\$5**—even though your stake was only \$10.
- Higher multipliers increase both profit potential and risk exposure.
- Stop Loss & Take Profit features help prevent excessive losses or locking in gains.
- Unlike traditional leveraged trading, you never lose more than your initial stake.

Multipliers are best suited for **traders who understand leverage** and want to **maximize returns while maintaining control over risk**.

#### Accumulators

**Accumulators** on Deriv allow traders to **compound their profits** over a set period by continuously accumulating returns as long as the market moves in their favor. Instead of closing the trade at a fixed payout, the profit grows over time—provided the price remains within the profitable range.

- The **stake is used as the base capital** for accumulating profits.
- Accumulators thrive in less-volatile market conditions where price moves gradually in one direction instead of making wild swings.
- If the market conditions remain favorable, **profits increase exponentially**.
- However, **if conditions break** before the trade duration ends, the trader may **lose the stake** and any accumulated profits.

Accumulators are best suited for traders who **understand trend persistence** and want to **maximize gains through compounding rather than fixed returns**.

## 4. Analyzing Synthetic Options

Analyzing Synthetic Options is different from forex, stocks, or commodities because Synthetic Indices are artificially generated and not influenced by external factors like news, economic reports, or central bank policies.

- **Technical Analysis is King** Since no external factors drive Synthetic Indices, indicators like Moving Averages, RSI, Bollinger Bands, and Fibonacci retracements work best.
- **Pattern Recognition** Identifying repeating price behaviors can improve trade accuracy.
- **Volatility-Based Strategies** Since each Synthetic Index has a fixed volatility level, selecting the right one (e.g., Volatility 10 for slow markets, Volatility 100 for fast-moving markets) is crucial.
- **Probability-Based Strategies** Since each Synthetic Index has a fixed volatility level, selecting the right one (e.g., Volatility 10 for slow markets, Volatility 100 for fast-moving markets) is crucial.
- **Automation-Friendly** Because Synthetic Indices move in structured patterns, they are ideal for automated trading and algorithmic strategies compared to forex, where unpredictable events cause erratic moves.

Unlike forex and stocks, Synthetic Options are purely technical, have no news-driven disruptions, and offer 24/7 structured price action, making them **perfect for automated and statistical-based trading strategies**.

Here's a breakdown of each trade type we covered so far and the **best types of analysis** that can be applied to them:

Trade Type	Best Analysis Methods				
Rise/Fall, Higher/Lower, Touch/No Touch	<ul> <li>Trend Analysis (Moving Averages, Trendlines)</li> <li>Support &amp; Resistance</li> <li>Price Chart Patterns</li> <li>Probability-Based Strategies</li> </ul>				
Digits (Matches/Differs, Even/Odd, Over/Under)	- Probability-Based Strategies - Random Distribution Analysis				
Multipliers	<ul> <li>Trend &amp; Momentum Analysis (RSI, MACD)</li> <li>Volatility Analysis (ATR, Bollinger Bands)</li> <li>Risk Management Models</li> </ul>				
Accumulators	<ul> <li>Trend Strength Analysis (Moving Averages, ADX)</li> <li>Volatility Filtering (ATR, Bollinger Bands)</li> <li>Momentum Confirmation (RSI, Stochastic)</li> </ul>				

Trade Type	Best Analysis Methods
Only Ups/Only Downs	<ul> <li>Strong Trend Identification (MA, Trendlines)</li> <li>Volatility Analysis (Bollinger Bands)</li> </ul>

#### Applying Analysis on Binogator

Knowing what type of analysis to apply to a given trade type helps you avoid distractions and only focus on what you need to see at any point while trading. Knowing the right way to analyze the market helps you set the right parameters for automated trading.

On Binogator you can apply most of the analysis types mentioned above as well as incorporate them in your automated strategy setups. Below is a list of options trade types on Binogator and analysis techniques and tools available for them.

First of all, you must note that all analysis data on Binogator respects the Analysis Range you set. This means that if the Range value is 100 then all chart and indicator is displaying analysis data of the last 100 ticks of the chosen market.



Figure 1: Analysis Range

Look at the analysis Range as timeframes in forex—it determines whether you're analyzing the market from a **broad perspective or a more detailed, short-term view**. Adjust your Analysis Range based on the trade type and market conditions to get the most **reliable insights.** 

#### The Price Line Chart



Figure 2: Price Line Chart

The above chart displays a **100-tick price movement**. So, in the last 100 ticks, these were the price movements.

The Price Line Chart offers other indicators like Bollinger Bands and RSI if you want more technical analysis. However, in the above picture two indicators are present:

- A **yellow moving average**, likely a short-term trend indicator.
- A **purple trendline**, showing overall market direction.

The price initially trends downward but then shows **an upward trend**, crossing above the moving average—indicating potential bullish momentum.

#### This Price-Line Chart can be used to analyze the following trade types:

- **Rise/Fall and Higher/Lower** → Can be used to determine trend direction.
- **Multipliers** → Helps in identifying trend continuation or reversals.
- **Only Ups/Only Downs** → If the trend is strong, traders can capitalize on onedirectional movement.

#### **Example of Effective Use:**

- If the **price crosses above the moving average** and the trendline confirms an uptrend, a **Rise or a Higher contract** could be placed to take advantage of continued bullish movement.
- Conversely, if the price **rejects the moving average downward**, a **Fall or Lower contract** may be considered.

#### The Digit-Rate Pad

Market: Volatility 10 Index 🗸	Range: 100	ticks		() Barrie	er: + 0.00	- 0.00		Char	rt: Digit-Rati	e Pad	~
6075.538 CHANGE: -0.03% RSI: 46 TREND: DOWN	Digit	0	1	2	з	4	5	6	7	8	9
SUPPORT RESISTANCE 57% 43% PRICE RISE PRICE FALL	Over	89%	83%	76%	64%			34%	30%		0%
43%         57%           ONLY UPS         ONLY DOWNS	Matches	11%	6%	7%	12%	11%	8%	11%	4%	16%	14%
32%         20%         47%           Digit EVEN         Digit 00D         56%         44%	Under	0%	11%	17%	24%	36%	47%	55%	66%	70%	86%

Figure 3: Digit-Rate Pad

The above chart displays a **100-tick digit rates**. So, in the last 100 ticks, these were the Over, Matches, Under rates for digits 0 to 9. The first row displays the digits, under which the rates (percentage appearances) for each digit is displayed.

Look at the market price at the top left. When we talk about **Last Digit** in Deriv, we are talking about the last digit of the market price. Hence, in the above illustration, where the current market price is 6075.538 the last digit is 8.

So, according to Digit-Rate indicator, in the last 100 ticks, 83% of the last digits were Over (higher than) than 1. Digit 7 appeared 4% of the time. 36% of the last digits were Under (lower than) 6.

#### This Price-Line Chart can be used to analyze the following trade types:

• **Digit Over, Under, Matches, and Differs** → Can be used to determine the frequency of the **prediction digit** you wish to trade on.

#### **Example of Effective Use:**

- If **Over 2** rate is above 70%, a **prediction digit of 2** and **OVER trade type** may be considered.
- If **Under 3** rate is above 30%, a **prediction digit of 3** and **UNDER trade type** may be considered.
- If Matches 0 rate is below 10%, a prediction digit of 0 and DIFFERS trade type may be considered. Because digit 0 has low frequency indicates that most last digits differ from 0.

#### The Tug-Charts

6075.538 CHANGE: -0.03% RSI: 46 TREND: DOWN	Digit									8	9
SUPPORT RESISTANCE	Over	89%	83%	76%	64%	53%	45%	34%	30%	14%	0%
Contry UPS Contry Downs	Matches	11%	6%	7%	12%	11%	8%	11%	4%	16%	14%
324         205         4/1           Digit EVEN         Digit ODD         564         445	Under	0%		17%	24%	36%	47 <u>%</u>	55%	66%	70%	86%

Figure 4: Tug-Chart list

The tug-charts provide key market indicators to help traders **make informed decisions** based on market trends and probabilities.

#### What Each Indicator Means:

- Support (57%) vs. Resistance (43%)
  - Shows the balance between buyers and sellers at key levels. A high support percentage indicates strong buying interest, which may prevent further price drops or even push the market upward.
- Price Rise (43%) vs. Price Fall (57%)
  - Predicts the probability of price moving up or down. More weight on Price Fall suggests a stronger bearish sentiment.
- Only Ups (32%) vs. Only Downs (47%)
  - Indicates probability of the market moving in **one direction only**. A higher percentage in "Only Downs" supports a **continued downtrend**.
- Digit Even (56%) vs. Digit Odd (44%)
  - Useful for **Digits trading**, showing which outcome is more statistically likely based on recent price action.

These indicators help you **predict where the market might go next** so you can make better trading decisions.

#### **Example of Effective Use:**

- RSI and Trend Direction: If RSI is below 50 and the trend says DOWN, the market is weak, meaning prices are more likely to fall. If RSI is above 50 and the trend says UP, the market is strong, favoring price increases.
- Support vs. Resistance: If Support is higher, it means the market might stop falling and bounce back up. If Resistance is higher, the market may struggle to go up and start falling instead.
- **Price Rise vs. Price Fall:** If the **Price Fall percentage is higher**, the market is more likely to go down. You may want to **enter a Fall or Lower contract**. If **Price Rise is higher**, consider a **Rise or Higher trade**.

- **Only Ups vs. Only Downs:** If **Only Downs is much higher**, the market may keep dropping without reversing. This is a good time to trade **Only Downs**. If **Only Ups is higher**, it suggests a steady upward trend.
- **Digit Even vs. Digit Odd:** If **Digit Even has a higher percentage**, you may have a better chance of winning an **Even contract**. If **Digit Odd is higher**, an **Odd contract** may be a better choice.

By checking these indicators before trading, you can **increase your chances of making the right move.** 

## 5. Automating Strategy with Binogator

Deriv has a built-in interface called **DBot** for automated trading. Unlike traditional codingbased automation, DBot uses a **drag-and-drop** system where traders can build strategies by arranging **blocks**, similar to solving a puzzle. This makes it easy for both beginners and experienced traders to create, test, and deploy trading bots without programming knowledge.

B Dashboard 음 Bot	Builder 🗠 Charts 🔃 Tutorials	▶ Run	Bot is not ru	unning .
Quick strategy		Summary	Transactions	Journal
Blocks menu 🔨	□ 1. Trade parameters □ 3. Sell conditions Market: Derived • > Continuous Indices • > Volatility 100 (1s) Index • Set (sBought • to (true •) Trade Tune: Accumulation • > Buy •			
Q Search Trade parameters	If Sell is available and S Contract Type: Buy • Default Candie Interval: 1 minute •	When yo You'll	ou're ready to trade be able to track you performance here	e, hit <b>Run</b> . ur bot's
Purchase conditions	Restart buy/sell on error (disable for better performance):			
Restart trading conditions	Run once at start: set Sell by 'Count Down? If false, sell by 'Take Pr • to false •	Total stake	Total payout	What's this?
Analysis 🗸	set setMaxStake? • to false • if Martingale Trade Again After Pur	0.00 USD	0.00 USD	0
Utility ^	set maxStake ● to 0 set Tick Count ● to 0	Contracts lost 0	Contracts won 0	Total profit/loss 0.00 USD
Variables	Trade options:		Reset	

Figure 5: DBot Interface (Deriv)

While **DBot** makes automation accessible without coding, it still requires **logical structuring** to turn blocks into a working strategy. This is where **Binogator** takes automation to the next level—enhancing DBot by offering **more features and greater simplicity**.

With **Binogator**, setting up an automated strategy is as **easy as ABC**. Instead of manually structuring complex logic, you simply **add or remove conditions** for trade entry, and **the bot handles the rest**. It eliminates the need for deep logical planning, making automation effortless for both beginners and advanced traders while still maintaining full control over strategy customization.

Al O Manual	■ Notes	[6:05:29 PM] Bot connected.
🕸 Basic Setup	Trade Type ② Rise / Fall V Initial Stake 0.35 Max Stake Value ③ 0	
	Trading Budget ③ 1000 Target Profit 100 Max Consve. Losses ③ 0	
名 Main Strategy	Max Consve. Wins O         O         Max Runs O         750         Delay (secs) O         O	
뀰 Alt Strategy	Profit Accumulation: Retain Profit     Staking Model: Martingale	🗘 Reconnect 🛛 C Reset
	O Martingale Multiplier: 2.15 after every 1 loss	
Archives	O Virtual Pass sequence: LL Disabled V O Strategy Switch Model: Disabled V	Run Bot     0.00 USD Trade Count: 0     Win/Loss: 0 / 0

Figure 6: Basic Setup tab (Binogator)

🔿 Al 💿 Manual	(≡ Notes) (♣ Import) (Ē Save)	[8:27:47 AM] Bot connected.
🅸 Basic Setup	If ALL  v conditions met, buy Rise v Duration O 1 ticks v	
	Search for blocks	
名 Main Strategy	If Tick Direction sequence is RF     O If Last Digit sequence is 012	
甚 Alt Strategy	If current Trend is upward         If Support %         v is between 0         and 100	V Reconnect C Reset
	If Rise % v is between 0 and 100	▶ Run Bot 0.00 USD
Archives	If Even % v is between and 100 O If Even / Odd sequence is E0	Trade Count: 0 Win/Loss: 0 / 0

Figure 7: Main Strategy tab (Binogator)

#### **Pre-set AI Strategies**

Binogator provides **ready-made strategies**, allowing you to **trade effortlessly on the go**—even if you have little experience in strategy development. These strategies are built on **AI-driven algorithms** to optimize performance and maximize profitability.

- These strategies have been tested to perform generally well, but may contain instructional notes.
- 3. Switch from **Manual** to **AI** mode to select from the list of pre-set strategies.
- 4. These strategies contain predefined settings, so your control over the strategy is limited. However, you can adjust basic parameters in the Setup tab in order to regulate your risk.

#### **Custom Strategy Automation**

Every strategy you may wish to automate must start with determining the following vital details:

- **Plan:** You need to have an overview of what you wish to accomplish. For example, "I want a Rise/Fall bot that analyzes the trend and Rise/Fall frequency, and enters a Rise contract when favorable".
- **Market:** Since we are dealing with Synthetic Options / Volatility Indexes, most of the time, the choice Market will not matter unless you are doing some in-depth technical analysis that requires you to know the volatility differences. Else, any strategy that works for Volatility 10 Index will also most likely work for Volatility 25, 75 Index etc.
- **Trade Type:** This determines the type of contracts you will be entering. For instance, Rise/Fall trade type means you will be entering only Rise or Fall contracts.
- **Risk Management:** How much money are you willing to risk in a session, and what measures are in place take protect it?

You can set up all of the above, and more, in the Setup tab.

• **Entry conditions**: What market conditions should signal the bot to make an entry? This is the core of your strategy. When you identify the necessary market conditions

that will benefit the contract you wish to enter, you can select those conditions in the Main and Alt Strategy tabs.

#### Your First Automated Strategy

Let us create a Rise/Fall strategy using what we have learned so far.

- We want a **Touch/No Touch** bot that analyzes the **Support/Resistance** and **Rise/Fall** frequency, and enters a **Touch** contract when **Support is stronger than Resistance** and **Rise frequency is higher than Fall**.
- We select the default market, Volatility 10 Index.
- We select **Touch/No Touch** Trade type in the Setup tab. Since we are interested in **Touch** contracts, we select **Touch and a barrier of 0.21** in the Main Strategy tab.
- We are willing to risk \$100 so, we set **Trading Budget of 100**, **Initial Stake of 0.35**, and **Martingale Multiplier of 1.83** in the Setup tab.
- In the Main Strategy tab, we enter our entry conditions which are:
  - a. Support % is between 51 and 100.
  - b. Rise % is between 51 and 100.

How did we arrive at the formula "% is between 51 and 100"? Because in the Tugcharts, opposing frequencies can only be equal at 50/50. If one is between 51 and 100 then it is higher than the other. E.g., when Support % is 51, Resistance % will be 49, and vice-versa.

Market: Volatility 10 Index	• •	Range: 100 ticks	3 Barrier: + 0.21 - 0.00	Chart: Price Line Chart
6084.120 RSI: 55	CHANGE: -0.03% TREND: DOWN	6,086.5		
SUPPORT 67%	RESISTANCE	6,085.5		80 70 60
PRICE RISE	PRICE FALL	6,084.5		50 40
ONLY UPS 36% 25%	ONLY DOWNS			20 10
DIGIT EVEN	DIGIT ODD			
🔿 Al 💿 Manual	1		= Notes (  Import )  Save	[8:18:04 AM] Bot connected.
🅸 Basic Setup	If ALL v o	onditions met, buy Touch	Barrier plus      O.21	
요 Main Strategy	If Support %	v is between 51 and	d 100	
邕 Alt Strategy	If Rise %	✓ is between 51 and	d 100 ×	🗘 Reconnect 🛛 C Reset
Archives	If Tick Direction seque     If current Trend is upwa	rd V If Even %	If Last Digit sequence is 012	▶ Run Bot         0.00 USD           Trade Count: 0         Win/Loss: 0 / 0

Figure 8: Main Strategy tab

As you can see in the picture, we have given the bot a set of instructions on how to carry out our trades: **If ALL** [of the] **conditions** [below are] **met, buy Touch** [at] **Barrier** [of] **+0.21** [for a] **Duration** [of] **5 ticks**.

As we have learned earlier, in the Touch/No Touch trade type we predict if the price will *Touch* or *Not Touch* the barrier (marked by yellow arrow). Each time our prediction is right, we earn payout, else we lose our stake.

- Our strategy is ready to run but we can save it for future use by clicking the **Save** button and entering a name. Now we can load, download or delete it from the **Archives** tab.
- We can also share the bot file to others who will **Import** it. And if we have further instructions on how to use the strategy, we can put them the **Notes**.

Follow the same procedure to create this bot yourself and test it on a demo account to evaluate its performance. **The download link for the bot we just built is available in the** <u>Conclusion</u> section.

## 6. Risk and Capital Management

#### Staking Models

Our Staking Models help you choose how you wish to stake in each contract during bot run.

- 1. **Same Stake:** With this option you will use the same stake throughout the trading session, regardless of outcome.
- 2. **Martingale:** This is a common capital-management practice in Options trading. It involves **increasing your stake after a loss** so that the first win recovers all previous losses and secures a profit.
  - Martingale Multiplier is the amount you stake will be multiplied by to recover loss. The recommended multiplier value is updated automatically in Binogator whenever your Trade Type changes. However, you can always adjust it.
  - A higher multiplier value increases risk but improves recovery profit. A lower multiplier value reduces risk but impairs recovery profit.
  - a. **Martingale should serve as a loss recovery plan**, not a standalone strategy. It will not save you from loss if you have a poor strategy. To maximize the benefit of martingale, improve on your strategy itself.

#### Virtual Pass & Reset

This feature tests market conditions using **demo trades** before executing real trades. The bot first looks for a set number of **wins or losses** in a demo account. Once the condition is met, it switches to **live trading**, improving strategy reliability while reducing risk.

- The win/loss sequence the bot follows is determined by your Virtual Pass Sequence value. Example, if you want the bot to test trades on demo and only enter real contract after **two losses and one win** consecutively, you set the sequence to **LLW**.
- If the **Virtual Pass Reset** is set to **Loss**, then after a **real loss** the bot will switch back to virtual trades, else if set to **Win**, then after a **real win** the bot will switch back to virtual trades.

#### Strategy-Switching

Strategy-switching is a risk-management protocol in Binogator where your set up two different strategies (Main and Alt), and then switch between them at intervals. We have two strategy-switching models:

- 1. **Rookie:** In this model, the bot follows a **structured cycle** between the **Main Strategy** and **Alternative Strategy** tabs. Here's how it works:
  - The bot **enters a set number of trades** using the contracts in the **Main Strategy tab.**
  - Once the specified number of trades is completed, it **switches to the Alternative Strategy tab** and executes another specified number of trades.

• After completing the Alternative Strategy trades, the bot **switches back to the Main Strategy**, repeating the cycle continuously.



Figure 9: Rookie Strategy-switching

**Rookie** ensures strategy diversification and prevents over-reliance on a single approach.

- 2. **Squid:** In this model, the bot **dynamically switches** between the **Main Strategy** and **Alternative Strategy** based on performance:
  - The bot starts trading using the **Main Strategy tab** and continues **until it reaches a set number of consecutive wins or losses**.
  - Once the threshold is met, the bot switches to the Alternative Strategy tab and trades until it also reaches the set number of consecutive wins or losses.
  - After completing the cycle in the Alternative Strategy, the bot **switches back to the Main Strategy** and repeats the process.

③ Strategy Switch Model: Squid	<b>&gt;</b>	Run Main Strategy x 2	Run Alt-Strategy x 2
Switch to Alt-Strategy after 1	Losses	~	of Main Strategy
Switch to Main Strategy after 1	Wins	, ,	✓ of Alt-Strategy

Figure 10: Squid Strategy-switching

**Squid** adapts to market conditions, helping traders react to winning or losing streaks effectively.

#### **Optimizing & Testing**

Before using a strategy in live trading, **optimization and testing** are crucial to ensure accuracy, efficiency, and profitability. Here's how traders can fine-tune their strategies:

#### 1. Adjust Bots for Accuracy & Efficiency

• Modify bot parameters such as **entry conditions**, **stop-loss**, **take-profit** to match market conditions.

- Use the chart and indicators to identify favorable conditions and improve win-rate.
- Apply settings such as **virtual pass** to reduce unnecessary trades and minimize drawdowns.

#### 2. Run Simulated Trading Sessions Before Going Live

- **Use demo accounts** to test bots in real-time without risking real capital.
- Monitor results over **multiple market conditions** (trending, ranging, high/low volatility) to ensure adaptability.

A well-tested strategy reduces unnecessary risks and improves long-term profitability.

## 7. Deriv Options Myths – Debunked

There are many misconceptions about **Deriv Options**, often leading new traders to approach the market with the wrong mindset. Unlike traditional financial markets, **Synthetic Indices are algorithmically generated**, meaning they behave differently from forex, stocks, or commodities.

In this section, we'll **debunk common myths** and clarify what really matters when trading Synthetic Options profitably.

#### X Options trading is gambling

- **Trading is a calculated decision, not a game of chance.** Successful Synthetic Options traders use technical analysis, automation, and even probability-based strategies to make informed trades.
- Unlike gambling, where outcomes are purely luck-based, traders can **control risk** by applying **data-driven strategies** and discipline, not random bets.

#### X The market is manipulated

- Synthetic Indices on Deriv are **algorithmically generated and audited** to ensure **fairness and randomness**. They are not influenced by external factors like news or big institutions, making manipulation highly unlikely.
- Deriv's Synthetic Indices are **regularly audited** by independent third parties to ensure **fairness and randomness** in price movements.

#### X Trade at specific times of the day

- Unlike forex or stocks, Synthetic Indices operate 24/7 with **no market sessions, no news impact, and no institutional influence**. Since they are algorithmically generated, their behavior is **consistent** at all times.
- While some strategies may work better in certain volatility conditions, there are no fixed "best times" to trade Synthetic Options. Instead, traders should focus on market analysis, trend behavior, and volatility patterns rather than specific time windows. With Synthetic Options, it's not about when you trade—it's about how you trade!

## 8. Conclusion

#### Key Takeaways

- Understanding **trade types** and when to use them effectively.
- Leveraging market analysis to improve trade accuracy.
- Automating strategies to **increase efficiency and consistency**.
- Practicing smart risk and capital management to stay profitable long-term.

#### Next Steps to Becoming a Profitable Trader

- **Start with Demo Trading** Test your strategies risk-free before going live.
- Join the <u>Binogator Forum</u> on Telegram Connect with fellow traders, share insights, and discover profitable strategies.
- **Keep learning and optimizing** The best traders refine their methods continuously.

Trading success comes with **knowledge**, **discipline**, **and the right tools**. You now have adequate knowledge to **automate**, **analyze**, **and trade smarter** with Binogator.

#### Links & Support

- Binogator Website: <u>https://binogator.com</u>
- **Binogator Android App:** <u>https://binogator.com/android-app</u>
- Binogator Updates: <u>https://t.me/binogator</u>
- Binogator Chat Group: <u>https://t.me/binogatorforum</u>
- **The bot we created in section 5:** <u>Download ZIP file</u>. Extract the sample-bot.json and upload it to Binogator using the **Import** button and run bot.

#### See you at the top! 🔗