

Anchored Vwap Band Reclaim

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Mean Reversion (Scalper)	M1–M15	www.algotbot.live

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Overview

Anchored Vwap Band Reclaim is an intraday mean-reversion **scalper** that fades over-stretched moves back toward the **session-anchored VWAP** — the same volume-weighted benchmark that institutional desks fill against. Rather than chase momentum, the EA waits for price to over-extend beyond a statistical deviation band, confirms that the move is exhausted, and positions for the snap-back toward fair value.

The strategy fuses three independent building blocks so that no single coincidence triggers a trade:

- **VWAP (the value anchor)** — a true session-anchored volume-weighted average price with deviation bands that widen and narrow with the day's volatility.
- **RSI (the momentum filter)** — a Relative Strength Index reading that must show exhaustion (oversold for longs, overbought for shorts).
- **Candlestick rejection (the price-action trigger)** — a pin-bar style wick that pierces the band and then reclaims it on the close.

Its natural home is a liquid FX major or an index (EURUSD, US500, US100) on the **M1–M15** timeframes, where anchored-VWAP reversion scalping is most reliable. The EA runs entirely on whichever timeframe the chart is set to, acting once per newly-closed bar and holding only one position per magic number at a time.

How It Works

1. The Session-Anchored VWAP

Unlike a rolling-window VWAP, this benchmark accumulates from the **start of each UTC trading day** and resets when the day rolls over — a true anchored VWAP, exactly the way trading desks track it. For every closed bar the EA folds the typical price into running sums and derives the value line and its volatility bands:

```
tp    = (High + Low + Close) / 3
VWAP  = Σ(tp · v) / Σv
STD   = sqrt( Σ( v · (tp - VWAP)2 ) / Σv )
Upper = VWAP + BandMult · STD
Lower = VWAP - BandMult · STD
```

Because the standard deviation is recomputed live, the bands breathe with the day's volatility — tight in quiet markets, wide during news. The EA ignores the opening of the session until at least `MinSessionBars` bars have anchored the VWAP, so the average has settled before any trade is considered.

2. The Price-Action Rejection (the trigger)

A naked band poke can keep trending, so the EA demands a **pin-bar rejection** on the just-closed bar — proof that the stretch was slammed back:

- **Long setup** — the bar's **low pierces below the lower band** but the **close reclaims back above it** (close > lower), and the lower (rejection) wick is at least `WickBodyRatio ×` the candle body. Buyers absorbed the sell-off.
- **Short setup** — the bar's **high pierces above the upper band** but the **close falls back below it**, and the upper wick is at least `WickBodyRatio ×` the body. Sellers rejected the spike.

3. RSI Confirmation

The rejection only counts when momentum is genuinely exhausted. A long requires RSI to be **oversold** (`RSI ≤ RsiOversold`); a short requires RSI to be **overbought** (`RSI ≥ RsiOverbought`). When the band poke, the wick, and the momentum reading all align, the EA acts.

Entry

On the first tick of a freshly-closed bar that satisfies all three conditions, the EA opens a single market order — a **Buy** at the Ask for a long reclaim, or a **Sell** at the Bid for a short rejection. Two guards protect the fill:

- No new entry while a position with the same magic number is already open (**one position per magic**).
- No new entry when the current spread exceeds `MaxSpreadPoints`, keeping execution costs in check for a scalper.

Exit — Stop Loss & Take Profit

Every trade carries a fixed ATR-based **reward:risk** profile set at entry. The stop is placed one ATR buffer *beyond* the rejection wick — the price level at which the reversion idea is proven wrong — and the target is a multiple of that risk distance:

$$\text{buffer} = \text{AtrSlBuffer} \cdot \text{ATR}$$

$$\begin{aligned} \text{LONG: } \text{SL} &= \text{signalLow} - \text{buffer} \\ \text{risk} &= \text{entry} - \text{SL} \\ \text{TP} &= \text{entry} + \text{RewardRisk} \cdot \text{risk} \end{aligned}$$

$$\begin{aligned} \text{SHORT: } \text{SL} &= \text{signalHigh} + \text{buffer} \\ \text{risk} &= \text{SL} - \text{entry} \\ \text{TP} &= \text{entry} - \text{RewardRisk} \cdot \text{risk} \end{aligned}$$

Because the structural stop and the fixed target are attached the moment the order is sent, the trade is fully managed without any trailing logic — it either reverts to fair value and hits the target, or fails and is stopped out beyond the wick.

Why anchor to the session VWAP? Institutional desks measure their execution quality against VWAP, so the largest pools of liquidity naturally gravitate toward it. When price snaps far past a deviation band and is rejected, the path of least resistance is frequently back toward that anchor — which is precisely the move this scalper aims to capture.

Strategy in Action

The illustration below shows an example of how the strategy identifies a setup and triggers its entry and exit. This is a simplified, illustrative example for educational purposes — not real market data.

Long setup: rejection & reclaim of the lower VWAP band



Illustrative example only. Actual market behaviour varies.

Parameters

Parameter	Default	Description
BandMult	2.0	Band width as a multiple of the session volume-weighted standard deviation. Higher values demand a more extreme stretch before a reversion is considered. Range 1.0–4.0, step 0.1.
RsiPeriod	14	RSI lookback used for the momentum-exhaustion filter. Range 5–30, step 1.
RsiOversold	35	RSI threshold that must be reached (or undercut) for a long reclaim. Range 10–45, step 1.
RsiOverbought	65	RSI threshold that must be reached (or exceeded) for a short rejection. Range 55–90, step 1.
WickBodyRatio	1.0	The rejection wick must be at least this multiple of the candle body (pin-bar quality control). Range 0.3–3.0, step 0.1.
AtrPeriod	14	ATR lookback used to size the stop buffer and the volatility floor. Range 5–30, step 1.
AtrSIBuffer	0.5	Stop-loss buffer in ATR multiples, placed beyond the rejection wick. Range 0.0–2.0, step 0.1.
RewardRisk	1.5	Take-profit distance as a multiple of the measured risk (entry-to-stop). Range 0.5–4.0, step 0.1.
MinSessionBars	8	Ignore the early session until this many bars have anchored the VWAP. Range 3–60, step 1.
MaxSpreadPoints	80	Skip new entries when the current spread (in points) is wider than this. Range 5–300, step 5.
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	5187	Magic number identifying this EA's positions, enforcing one position per magic. Range 0–9,999,999, step 1.

Recommended Settings

The defaults are tuned for liquid FX majors and major indices on the lower intraday timeframes. Use the guidance below as a starting point and always validate on your own broker's data before risking capital.

SYMBOLS & TIMEFRAME

- **Symbols:** EURUSD, US500 (S&P 500), US100 (Nasdaq 100), or another liquid major.
- **Timeframe:** M1 to M15 — the natural home of anchored-VWAP reversion scalping. The EA trades whichever timeframe the chart is set to.

TUNING NOTES

- **BandMult** — raise toward 2.5–3.0 on noisier instruments so only genuinely over-stretched moves qualify; lower toward 1.5 for more frequent signals in calmer conditions.
- **RsiOversold / RsiOverbought** — widen the gap (e.g. 30 / 70) to demand stronger exhaustion and reduce trade count; narrow it for more setups.
- **WickBodyRatio** — increase to require a more dramatic pin-bar rejection; decrease to accept softer reclaims.
- **RewardRisk** — the 1.5 default keeps the scalp's target inside the typical reversion distance toward VWAP. Pushing it higher improves payoff per win but lowers hit rate.
- **MaxSpreadPoints** — tighten this on tight-spread brokers to protect a scalper's edge; loosen only if your instrument's normal spread is genuinely wider.

Example — EURUSD M5 baseline

BandMult 2.0 , RsiPeriod 14 , RsiOversold 35 , RsiOverbought 65 , WickBodyRatio 1.0 , AtrPeriod 14 , AtrSlBuffer 0.5 , RewardRisk 1.5 , MinSessionBars 8 , MaxSpreadPoints 80 , Lots 0.10 . A clean, balanced configuration for evaluating the strategy on a major pair before any optimization.

Tip: Because the VWAP re-anchors at the start of each UTC day, the first several bars of a session carry an unsettled average. The `MinSessionBars` guard already suppresses trades during that window — increasing it makes the EA wait for an even more established anchor before its first trade of the day.

How to Install on MetaTrader 5

- 1 Copy `AnchoredVwapBandReclaim.ex5` to your MT5 `MQL5\Experts\` folder
- 2 Restart MetaTrader 5 and refresh the Navigator panel
- 3 Drag the EA onto a chart matching the recommended symbol and timeframe
- 4 Configure the input parameters and click **OK**
- 5 Enable **Algo Trading** in the MT5 toolbar

Note: To inspect or recompile the source, open `AnchoredVwapBandReclaim.mq5` in MetaEditor and press **F7**. The compiled `.ex5` is what the terminal loads onto a chart.

Risk Warning

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