

Breaker Block Reversal

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price-Action Reversal (ICT)

TIMEFRAME

M15 – H1

WEBSITE

www.algotbot.live

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Overview

Breaker Block Reversal is a pure price-action Expert Advisor built on the ICT (Inner Circle Trader) concept of the *breaker block*. It uses **no indicators of any kind** — every decision is derived from raw candle geometry: swing structure, liquidity sweeps, and order-block bodies.

The strategy is a genuine **reversal** system, which sets it apart from continuation-style order-block tools. An order block is the candle at the origin of an impulsive move. A **breaker** is an order block that *failed*: price reaches beyond a prior swing to grab liquidity (a stop-run), that push fails, and the market then shifts structure in the opposite direction. The order block that should have extended the failed leg is now violated and flips polarity — old supply becomes demand, and old demand becomes supply. Price commonly retraces back into that flipped zone before the new direction runs, and the EA trades that retest.

A failed liquidity grab combined with a market-structure shift is one of the cleaner "trapped traders" signatures. The breaker retest offers an entry with tight, structure-defined risk — placed right where the trapped side is forced to cover, fuelling the new leg.

How It Works

The EA processes **one closed bar at a time**. On each new bar it confirms a fractal swing pivot a fixed number of bars back, updates its record of the most recent swing highs and lows, and advances an internal two-sided state machine — one for bullish breakers and one for bearish breakers. Only one position is held per magic number at any time.

The Bullish Breaker (bottom reversal)

1. **Sweep** — A fresh swing low prints *below* the prior swing low. Sell-side liquidity (stops) under the old low is taken.
2. **Shift** — A candle then *closes above* the swing high that preceded the sweep. This is the market-structure shift (MSS) to the upside.
3. **Zone** — The last *up* candle before the drop into the swept low is the failed bearish order block. It now becomes the bullish breaker zone `[zoneLo, zoneHi]`.
4. **Entry** — When price retraces *down* into the flipped zone and holds, the EA opens a **BUY**. The stop sits just beyond the swept low; the target is a fixed reward:risk multiple.

The Bearish Breaker (top reversal)

The bearish breaker is the exact mirror: a sweep of a prior swing high (buy-side liquidity), a structure shift to the downside, the last *down* candle before the rally becomes the breaker, and the EA **SELLS** the retest of that flipped zone.

The State Machine

Each side moves through three phases:

- **None** — no active setup.
- **Armed** — a liquidity sweep has been detected and a candidate breaker zone identified; the EA is waiting for the structure shift to confirm.
- **Active** — the MSS has confirmed; the EA is waiting for price to retrace into the breaker zone to trigger entry.

Setups are discarded if price invalidates them or if they take too long. While **Armed**, the setup is cancelled if price closes back beyond the swept extreme (no reversal) or if the shift does not arrive within `MaxArmBars`. While **Active**, it is cancelled if price closes back beyond the swept extreme (breaker failed) or if the retrace never comes within `MaxActiveBars`.

Entry, Stop Loss & Take Profit

- **Entry** — A market BUY at the current Ask (or SELL at the current Bid) once price retests the active breaker zone on a subsequent bar.

- **Stop Loss** — Placed just beyond the swept swing extreme, offset by `StopBufferPoints` in points. For a long, the stop sits below the swept low; for a short, above the swept high.
- **Take Profit** — A fixed reward:risk multiple of the measured risk. With the default `RiskReward = 2.5`, the target is 2.5× the distance from entry to stop.

Note: The EA acts only on the close of each bar — it does not react to intra-bar ticks for its logic. This makes its behaviour identical between live trading and the MT5 Strategy Tester in "Open prices only" or "1 minute OHLC" modes, and keeps signals stable and non-repainting.

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.



Illustrative example only. Actual market behaviour varies.

Parameters

Parameter	Default	Description
Pivot	3	Fractal pivot half-width — the number of bars required on each side of a candle for it to qualify as a swing high or low. Higher values find larger, less frequent swings. Range 2–8, step 1.
ObSearchBars	10	How many bars to search back from the sweep pivot to locate the order-block candle that becomes the breaker zone. Range 3–30, step 1.
MaxArmBars	20	Maximum number of bars to wait for the market-structure shift after a sweep is detected. If the shift does not confirm in time, the armed setup is discarded. Range 3–60, step 1.
MaxActiveBars	25	Maximum number of bars to wait for price to retrace into the breaker zone after the shift confirms. If the retrace never comes, the active setup is discarded. Range 3–80, step 1.
StopBufferPoints	15	Extra buffer, in points, placed beyond the swept swing extreme when setting the stop loss. Range 0–150, step 5.
RiskReward	2.5	Fixed reward-to-risk multiple used to set the take-profit distance from the measured entry-to-stop risk. Range 1.0–6.0, step 0.5.
Lots	0.10	Fixed lot size used for every trade. Range 0.01–1.0, step 0.05.
Magic	1001	Expert magic number used to identify and manage this EA's positions. The "one position at a time" rule applies per magic number.

Recommended Settings

Because the strategy reads market structure directly from candles, it works best on clean, liquid instruments where swing structure and liquidity sweeps are well defined.

- **Symbols:** Major FX pairs (e.g. EUR/USD, GBP/USD), gold (XAU/USD), or major index CFDs.
- **Timeframe:** M15 to H1. Lower timeframes generate more setups but more noise; higher timeframes produce fewer, structurally cleaner reversals.
- **Risk:** Keep `Lots` small relative to account size. The fixed-lot model means risk per trade varies with the structure-defined stop distance.

Example — EUR/USD on H1

Leaving the defaults (`Pivot = 3` , `ObSearchBars = 10` , `RiskReward = 2.5`) targets meaningful intraday swings. A confirmed bullish breaker that triggers with a 20-pip risk would set a take-profit 50 pips above entry. Widen `Pivot` toward 5–6 to trade only the larger structural reversals.

Tuning tip: Always backtest any change to `Pivot` , `MaxArmBars` , or `MaxActiveBars` on your chosen symbol and timeframe before going live. These three parameters control how strict and how patient the setup detection is, and they interact strongly with the volatility of the instrument.

How to Install on MetaTrader 5

- 1 Copy `BreakerBlockReversal.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

Risk Warning

Trading foreign exchange, CFDs, and other leveraged financial instruments involves substantial risk of loss and is not suitable for all investors. The strategies and tools described in this document are provided for **educational purposes only** and do not constitute financial advice, investment recommendations, or solicitation to trade. Always consult a qualified financial adviser before making trading decisions. Past backtest performance is not indicative of future results.