

# Breakout Channel Rider

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Channel Breakout (Trend-Following)

## TIMEFRAME

M15 – H4

## WEBSITE

[www.algotbot.live](http://www.algotbot.live)

**⚠ Important Disclaimer** This document is for educational and informational purposes only. It does not constitute financial or investment advice. Trading forex, CFDs, and other leveraged instruments involves substantial risk of loss and is not suitable for all investors. Past backtest performance does not guarantee future results. Never trade with capital you cannot afford to lose.

## Overview

**Breakout Channel Rider** is a pure price-action, dual-channel breakout Expert Advisor for MetaTrader 5. It uses **no indicators of any kind** — no moving averages, no RSI, no ATR. Every decision level is read directly off raw bar highs and lows, so the trading edge comes from market structure itself rather than from a smoothed, lagging series.

The logic is the classic trend-following channel breakout. When price closes beyond the extreme of the last `EntryChannelBars` completed bars, it has — by definition — made a fresh directional break of recent structure: the kind of move that tends to keep going. Rather than guessing a fixed exit, the EA then *rides* the position with a faster opposite-channel trailing exit. A long is released the moment price closes back under the lowest low of the last `ExitChannelBars` bars; a short is released the moment price closes back above the highest high of the last `ExitChannelBars` bars. That structure lets winners run while a snap-back through recent price cuts the trade quickly.

Because every distance is expressed as a **fraction or multiple of the live channel height** rather than a fixed number of points, the system is point-size and timeframe agnostic. It adapts to whatever symbol and timeframe the chart provides — an FX major, gold, or an index — typically on M15 through H4.

**Key idea:** The entry channel (slow, `EntryChannelBars`) catches the breakout; the exit channel (fast, `ExitChannelBars`) trails the ride. The exit channel is always forced to be strictly faster than the entry channel, so the trade gives back less than it would wait to enter.

## How It Works

The EA acts **once per newly-closed bar**. It tracks the most recently completed bar (referred to below as bar `c`) and measures both channels from the bars *before* it, so a level never “sees itself.”

### Entry Logic (only when flat)

When there is no open position, the EA computes the highest high and lowest low of the prior `EntryChannelBars` bars and looks for a decisive close beyond them:

- **LONG** — bar `c` closes *above* the highest high of the prior `EntryChannelBars` bars.
- **SHORT** — bar `c` closes *below* the lowest low of the prior `EntryChannelBars` bars.

An entry is only attempted when the channel height (`entryHigh - entryLow`) is positive, ensuring a real, measurable range exists.

### Protective Stop & Backstop Target

On entry, two protective levels are attached, both scaled to the entry-channel height (`range`):

- **Stop Loss** — placed `StopRangeFraction * range` away from the entry price. A failed break that retraces this far is treated as an invalidation of the breakout.
- **Take Profit** — a *backstop* target placed at `TakeProfitMult * risk` the initial risk distance. This is a safety net; in practice most trades are closed by the trailing exit channel before the backstop is reached.

```
// LONG
entry = Ask
sl    = entry - StopRangeFraction * range
risk  = entry - sl
tp    = entry + TakeProfitMult * risk

// SHORT
entry = Bid
sl    = entry + StopRangeFraction * range
risk  = sl - entry
tp    = entry - TakeProfitMult * risk
```

## Exit / Ride Logic (only when in a trade)

While a position is open, the EA ignores new entries and instead trails the trade with the faster opposite channel:

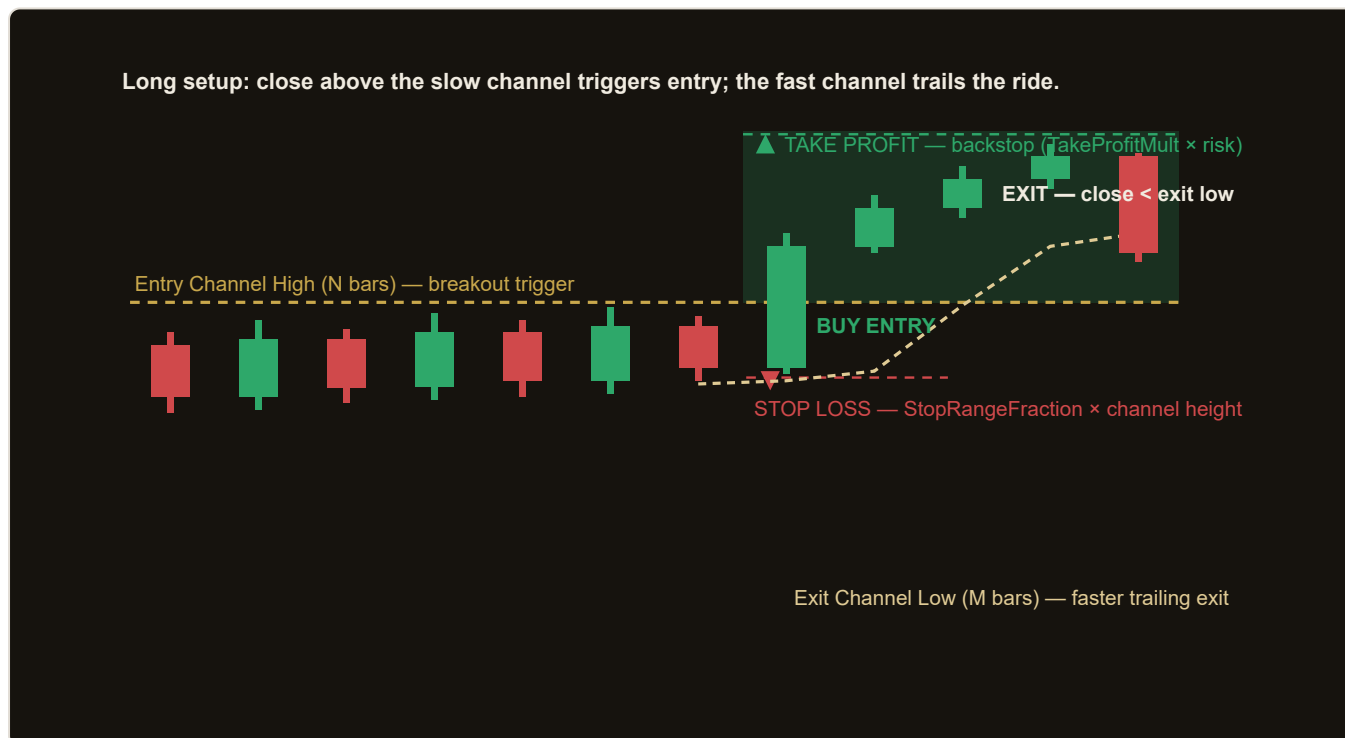
- **LONG** is closed when bar `c` closes *below* the lowest low of the prior `ExitChannelBars` bars.
- **SHORT** is closed when bar `c` closes *above* the highest high of the prior `ExitChannelBars` bars.

Because `ExitChannelBars` is always smaller than `EntryChannelBars`, the exit reacts faster than the entry waited — letting the position ride a sustained move while cutting it the moment recent structure flips.

**Safety guard:** If `ExitChannelBars` is set greater than or equal to `EntryChannelBars`, the EA automatically clamps it to `EntryChannelBars - 1` (minimum 1) so the exit channel is always strictly faster than the entry channel.

## 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

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Parameter	Default	Description
EntryChannelBars	20	Lookback (in bars) for the breakout high/low that triggers an entry — the slow channel. Range 5–60, step 1.
ExitChannelBars	10	Lookback (in bars) for the faster opposite channel that trails the exit. Automatically clamped to be strictly faster than <code>EntryChannelBars</code> . Range 3–40, step 1.
StopRangeFraction	0.50	Initial protective stop, expressed as a fraction of the entry-channel height. Range 0.20–2.00, step 0.10.
TakeProfitMult	3.00	Backstop take-profit, as a multiple of the initial risk distance. Range 1.00–8.00, step 0.50.
Lots	0.10	Order volume in lots for each trade. Range 0.01–1.00, step 0.05.
Magic	7701	EA magic number used to identify and isolate this strategy's positions. Range 0–9,999,999, step 1.

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## Recommended Settings

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As a trend-following breakout system, Breakout Channel Rider performs best on instruments and timeframes that produce sustained directional moves rather than tight, choppy ranges.

- **Symbols:** Trending FX majors (e.g. EUR/USD, GBP/USD, USD/JPY), gold (XAU/USD), and major indices.
- **Timeframes:** M15 to H4. Higher timeframes generally yield fewer but cleaner breakouts and reduce false signals.
- **Channels:** Keep `ExitChannelBars` meaningfully smaller than `EntryChannelBars` (the defaults 20 / 10 are a good starting ratio). A faster exit channel banks profit sooner; a slower one gives the trend more room.
- **Risk:** Tune `StopRangeFraction` and `Lots` to your account size and risk tolerance before trading live.

### Example — H1 EUR/USD trend rider

Set `EntryChannelBars = 20`, `ExitChannelBars = 10`, `StopRangeFraction = 0.50`, and `TakeProfitMult = 3.00`. The EA waits for an hourly close beyond the 20-bar channel, attaches a stop half the channel height away, and then trails the position with the 10-bar opposite channel until structure flips.

**Tip:** Always validate any parameter set on out-of-sample data using the MT5 Strategy Tester before committing real capital. Because all distances scale to the channel height, a configuration tuned on one symbol often transfers reasonably to others — but should still be re-verified.

## How to Install on MetaTrader 5

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- 1 Copy `BreakoutChannelRider.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

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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.