

Climax Bar Reversal

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price-Action Reversal

TIMEFRAME

M30 – H4

WEBSITE

www.algotbot.live

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Overview

Climax Bar Reversal is a pure price-action exhaustion system that contains *no indicators of any kind*. Every decision is computed directly from raw bar geometry — ranges, highs, lows, opens, and closes.

The strategy hunts for a **climax bar**: a single closed candle whose range is abnormally large compared with the recent average range, and which simultaneously prints a fresh local extreme. A climax bar is where the crowd capitulates or piles in at the worst possible price — a *buying climax* at a new high, or a *selling climax* at a new low.

Crucially, the EA does **not** trade the climax bar itself. It waits for the very next candle — the **confirmation bar** — to *fail* to extend the move and to close back against the climax. Only when exhaustion is confirmed does the strategy fade the move:

- **Buying climax** (big up bar at a new high, next bar rejects) → **SELL**
- **Selling climax** (big down bar at a new low, next bar rejects) → **BUY**

Stops are placed structurally, just beyond the climax extreme, and the target is a configurable reward-to-risk multiple of that distance.

How It Works

1. Detecting the climax bar

On each freshly closed bar the EA inspects the bar at shift 2 (the suspected climax) and the bar at shift 1 (the confirmation). It first measures the climax bar's range and compares it to the average range of the

`RangePeriod` bars sitting just beneath it (shifts 3 onward):

```
climaxRange = climaxHigh - climaxLow
avgRange    = average( high - low ) over RangePeriod bars below the climax

require: climaxRange >= ClimaxMult × avgRange
```

The candle only qualifies when its range is at least `ClimaxMult` times the recent average — an abnormally wide-range bar.

2. Fresh local extreme & thrust

A true climax must also mark a fresh extreme and show a decisive close into that extreme (a real thrust, not an indecisive doji):

- **Local extreme** — the climax high must be the highest high (or its low the lowest low) over the previous `LookbackBars` candles.
- **Close thrust** — the close must sit at least `ClosePushPct` % of the bar's range toward its own extreme. For a buying climax the close must be in the top portion of the range; for a selling climax, the bottom portion.

3. The confirmation (rejection) bar

The next bar must show that the move has stalled:

- **Buying climax** → the confirmation bar's high does *not* exceed the climax high (`confirmHigh ≤ climaxHigh`) and it closes back *below* the climax close.
- **Selling climax** → the confirmation bar's low does *not* undercut the climax low (`confirmLow ≥ climaxLow`) and it closes back *above* the climax close.

4. Entry

When all conditions align, the EA fades the exhaustion immediately at market: it **sells** at the Bid after a buying climax, or **buys** at the Ask after a selling climax. Orders are tagged `BuyingClimaxFade` or `SellingClimaxFade`.

5. Stop loss & take profit

The stop is anchored structurally, just beyond the climax extreme, padded by a buffer of `StopBufferPct` % of the climax range:

```
buffer = (StopBufferPct / 100) × climaxRange
```

```
SELL:  SL = climaxHigh + buffer  
       risk = SL - entry  
       TP  = entry - RewardRisk × risk
```

```
BUY:   SL = climaxLow - buffer  
       risk = entry - SL  
       TP  = entry + RewardRisk × risk
```

The take profit is therefore a fixed `RewardRisk` multiple of the measured stop distance, so every trade carries a consistent reward-to-risk profile regardless of volatility.

One position at a time. The EA holds at most one open position per symbol for its magic number (`7311`). While a trade is live, no new setups are taken — the attached stop loss and take profit manage the exit entirely. Logic is also evaluated only once per newly closed bar, never intrabar.

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
LookbackBars	12	Number of prior bars over which the climax must print a fresh local high (or low). Range 4–50, step 1.
RangePeriod	14	Window of bars beneath the climax used to compute the average bar range. Range 5–40, step 1.
ClimaxMult	2.0	Minimum multiple of the average range the climax bar must reach to qualify as abnormally wide. Range 1.2–4.0, step 0.1.
ClosePushPct	50.0	How far (% of the bar's range) the climax close must sit toward its extreme — a true thrust, not a doji. Range 0–100, step 5.
RewardRisk	2.0	Reward-to-risk multiple. The take profit is this multiple of the measured stop distance. Range 0.5–5.0, step 0.5.
StopBufferPct	15.0	Extra buffer beyond the climax extreme for the stop loss, as a % of the climax range. Range 0–100, step 5.
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	7311	Magic number identifying this EA's positions. Used for one-position-at-a-time management.

Recommended Settings

The defaults are a balanced starting point for liquid FX majors on intraday charts. Because the strategy is purely structural, it adapts naturally to instrument volatility — but the qualifying thresholds reward tuning per market.

Setting	Suggested	Notes
Timeframe	M30 – H4	Enough bars to form meaningful climaxes; H1 is a solid default.
ClimaxMult	1.8 – 2.5	Lower = more (but noisier) signals; higher = rarer, more extreme exhaustion.
ClosePushPct	50 – 65	Raise it to demand a more decisive thrust into the extreme.
RewardRisk	1.5 – 2.5	Reversals can run; 2.0 balances hit-rate against payoff.

Example — fading a buying climax on EURUSD H1

Average H1 range over the last 14 bars is ~20 pips. A single bar prints a 45-pip range (> 2×) to a fresh high and closes near its top. The next bar fails to make a higher high and closes back below the climax close. With `StopBufferPct = 15`, the stop sits ~7 pips above the climax high; entry risk is ~30 pips, so a `RewardRisk` of 2.0 targets ~60 pips below entry.

Tip. Start in the Strategy Tester with default values, then optimise `ClimaxMult` and `ClosePushPct` first — they control how selective the climax filter is and have the largest effect on trade frequency and quality.

How to Install on MetaTrader 5

- 1 Copy `ClimaxBarReversal.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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