

Double Tap Reversal

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price-Action Reversal

TIMEFRAME

M30 / H1

WEBSITE

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

Double Tap Reversal is a pure price-action Expert Advisor that trades the classic double-top (M) and double-bottom (W) reversal patterns. It uses **no indicators of any kind** — no moving averages, RSI, ATR, or Bollinger Bands. Every decision is derived directly from raw candle highs, lows, opens, and closes.

The core idea is the “double tap.” When price drives into a level, fails, pulls back, then drives into the *same* level a second time and fails again, that level has been defended twice. A large pool of would-be continuation traders are now offside. The pattern resolves when price snaps back through the swing that separates the two taps — the **neckline**. That break is the trigger: trapped traders are forced to cover and fresh reversal flow piles in, producing the measured move away from the level.

The strategy is fully scale-free. It contains no point or pip math, so it adapts automatically to any symbol or timeframe. It is designed as a swing-reversal style on liquid FX majors or metals.

How It Works

Building the Pattern

Double Tap Reversal works from **confirmed swing pivots** rather than single candles. A swing **low** is a bar whose low is the strict minimum over `PivotLeftRight` bars on each side; a swing **high** is the strict maximum. Crucially, a pivot is only used once it has `PivotLeftRight` bars to its *right* as well — so confirmed levels **never repaint**.

- **Double Bottom (W):** the two most recent confirmed swing **lows** sit at roughly the same price (the two taps), separated by at least one bar. The **neckline** is the highest high of the bars between them — the rejection peak.
- **Double Top (M):** the mirror image — the two most recent swing **highs** at the same price, with the neckline being the lowest low of the bars between them.

“Same price” is judged on a scale-free basis: the gap between the two taps must be no more than `EqualTolerance` × the pattern height (the neckline-to-tap distance). Because the test is relative to the pattern’s own size, it works on any symbol or timeframe with zero point or pip math.

Entry Logic

The EA acts **once per newly-closed bar** and holds at most one position per magic number. Two distinct, mirror-image rules drive entries:

- **LONG — W-bottom breakout:** a confirmed double bottom whose just-closed bar **closes strictly above** the neckline for the first time (the previous bar was at or below it), with the second tap no older than `MaxBreakBars`. The EA buys the breakout.
- **SHORT — M-top breakdown:** a confirmed double top whose just-closed bar **closes strictly below** the neckline for the first time, again with the second tap within `MaxBreakBars`. The EA sells the breakdown.

Note: The “first close-through” condition (current bar breaks the neckline while the previous bar did not) ensures the EA reacts only to the decisive break, not to bars that have already closed beyond the level. The `MaxBreakBars` freshness filter discards stale patterns whose second tap is too far in the past.

Exit Logic — Stop Loss & Take Profit

Risk is **structural and self-scaling**, again with no point or pip math:

- **Stop Loss:** placed just beyond the twin taps — below both lows for a long, above both highs for a short — buffered by `StopBufferFrac` × the pattern height. A third successful push through the level would invalidate the double pattern, so the stop sits exactly where the pattern would be considered dead.
- **Take Profit:** a fixed reward-to-risk multiple of that structural stop distance, set by `RewardRatio`. This lets the post-break reversal run while keeping a consistent risk profile.

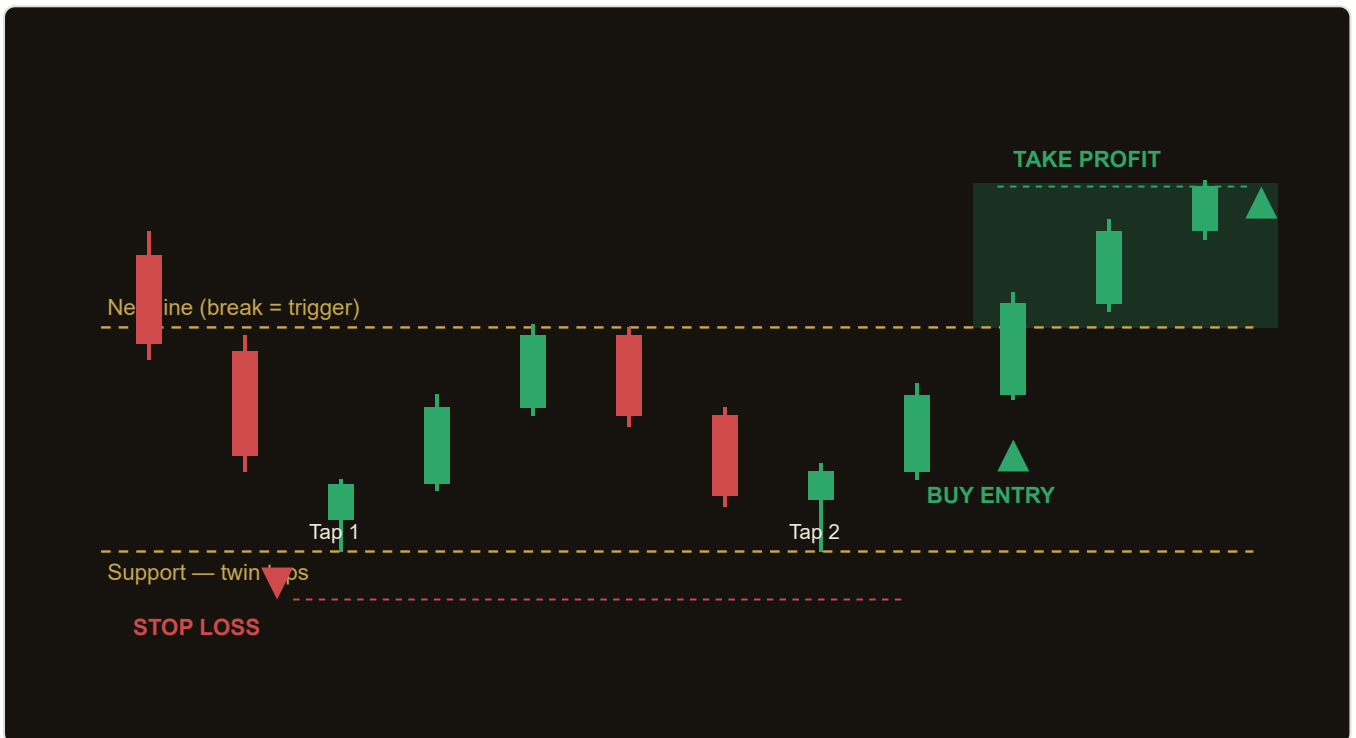
Worked example (double bottom → long)

Suppose the two taps sit near 1.10000 and the neckline (rejection peak between them) is at 1.10400 , giving a pattern height of 0.00400 . With $\text{StopBufferFrac} = 0.10$, the stop is placed 0.00040 below the lower tap. If the breakout bar closes above the neckline and entry fills at 1.10420 , the structural risk is roughly 0.00460 .

With $\text{RewardRatio} = 2.00$, the take profit is set about 0.00920 above entry, near 1.11340 .

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. It depicts a **double bottom (W)**: price taps the support level twice, then closes above the neckline to trigger a long.



Illustrative example only. Actual market behaviour varies.

Parameters

Parameter	Default	Description
PivotLeftRight	3	Bars required on each side of a bar for it to qualify as a confirmed swing pivot. Higher values produce fewer, more significant pivots. Range 2–8, step 1.
EqualTolerance	0.20	Maximum price gap between the two taps, expressed as a fraction of the pattern height, for them to count as the “same” level. Lower = stricter matching. Range 0.02–0.60, step 0.02.
MaxBreakBars	8	The neckline break must occur within this many bars of the second tap, keeping the pattern fresh and ignoring stale, far-away taps. Range 2–30, step 1.
StopBufferFrac	0.10	Stop-loss placement beyond the twin taps, as a fraction of the pattern height. Larger values give the trade more room. Range 0.00–1.00, step 0.05.
RewardRatio	2.00	Take-profit distance as a multiple of the structural stop distance (reward-to-risk). Range 1.00–6.00, step 0.50.
Lots	0.10	Trade volume in lots. Range 0.01–1.00, step 0.05.
Magic	9301	Magic number used to identify and manage this EA’s positions. Range 0–9,999,999, step 1.

Recommended Settings

Double Tap Reversal is designed as a swing-reversal strategy. It works best where a level rejected twice genuinely marks exhausted continuation flow.

- **Symbols:** liquid FX majors or metals — e.g. EURUSD, GBPUSD, or XAUUSD.
- **Timeframe:** M30 or H1.
- **Pivot sensitivity:** the default `PivotLeftRight = 3` balances responsiveness and noise. Increase it on faster timeframes to demand more structurally significant pivots.
- **Tap matching:** keep `EqualTolerance` near the default `0.20`; tighten it for cleaner, more symmetrical double tops/bottoms.
- **Risk:** the default `RewardRatio = 2.00` with `StopBufferFrac = 0.10` targets twice the structural risk while keeping the stop just beyond the defended level.

Tip: Because the strategy carries no point or pip math, the same parameter set transfers naturally across symbols and timeframes. Always confirm position sizing (`Lots`) suits your account before trading live.

How to Install on MetaTrader 5

- 1 Copy `DoubleTapReversal.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.