

# Fair Value Gap Stride

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Momentum Continuation Breakout

## TIMEFRAME

M5 / M15

## 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

**Fair Value Gap Stride** is a pure price-action momentum strategy that rides sustained one-sided order flow the moment it reveals itself — without waiting for a pullback. It uses no technical indicators of any kind. Every decision is read directly from raw candle geometry.

A **fair-value gap (FVG)** is a three-candle footprint: a strong middle candle moves so fast that the first and third candles do not overlap, leaving an untraded "vacuum" of price behind it. One gap is noise. A **stack** of same-direction gaps is conviction. When price prints two or more unfilled FVGs in the same direction inside a short window, the market is *striding* — leaving a ladder of imbalances behind a strong displacement leg. Such legs tend to extend further before they rebalance, and that is exactly what this EA trades.

This is deliberately the **opposite** of a gap-fill / retracement system. Rather than waiting for price to dip back into a gap and tap it, the EA enters **at market** in the stride direction the instant the newest stacked gap completes — while every imbalance is still open. The protective stop sits beneath (or above) the entire imbalance ladder, so the trade is only invalidated if the whole stride is mitigated at once.

# How It Works

---

## Volatility Scaling

Before any pattern logic runs, the EA computes a plain **average candle range** over the most recent `LookbackRange` closed bars. This single mean is used to scale all thresholds to current volatility — it is an inline calculation, not a technical indicator. Three working thresholds are derived from it:

- **Minimum body** = `ImpulseFactor × avgRange` — how strong a middle candle must be to count as a thrust.
- **Minimum gap** = `MinGapFactor × avgRange` — the smallest acceptable vacuum size.
- **Stop buffer** = `BufferFrac × avgRange` — breathing room added beyond the imbalance ladder.

## Detecting a Fair-Value Gap

The EA evaluates each candle trio (newest, middle, oldest). A **bullish FVG** requires all of the following:

- An up-vacuum: the oldest candle's high is strictly below the newest candle's low.
- The middle candle is bullish (close above open) — a genuine thrust.
- The middle body is at least the minimum body threshold.
- The gap (newest low – oldest high) is at least the minimum gap threshold.

A **bearish FVG** is the exact mirror: a down-vacuum (oldest low above newest high) carved by a bearish middle thrust of sufficient size.

## The Stride — Stacking and Intact Checks

A signal only fires when the stride *completes on the just-closed bar*, so the trigger gap's newest candle is the most recently closed bar. When a trigger gap is found, the EA scans backward across the `StackWindow` and counts every same-direction gap that is still **intact**.

A bullish gap is intact only if **no candle has closed below its base** since it formed; a bearish gap is intact only if no later candle has closed above its base. A filled gap is dropped from the count. If the number of intact, same-direction gaps reaches `StackCount`, the stride is confirmed.

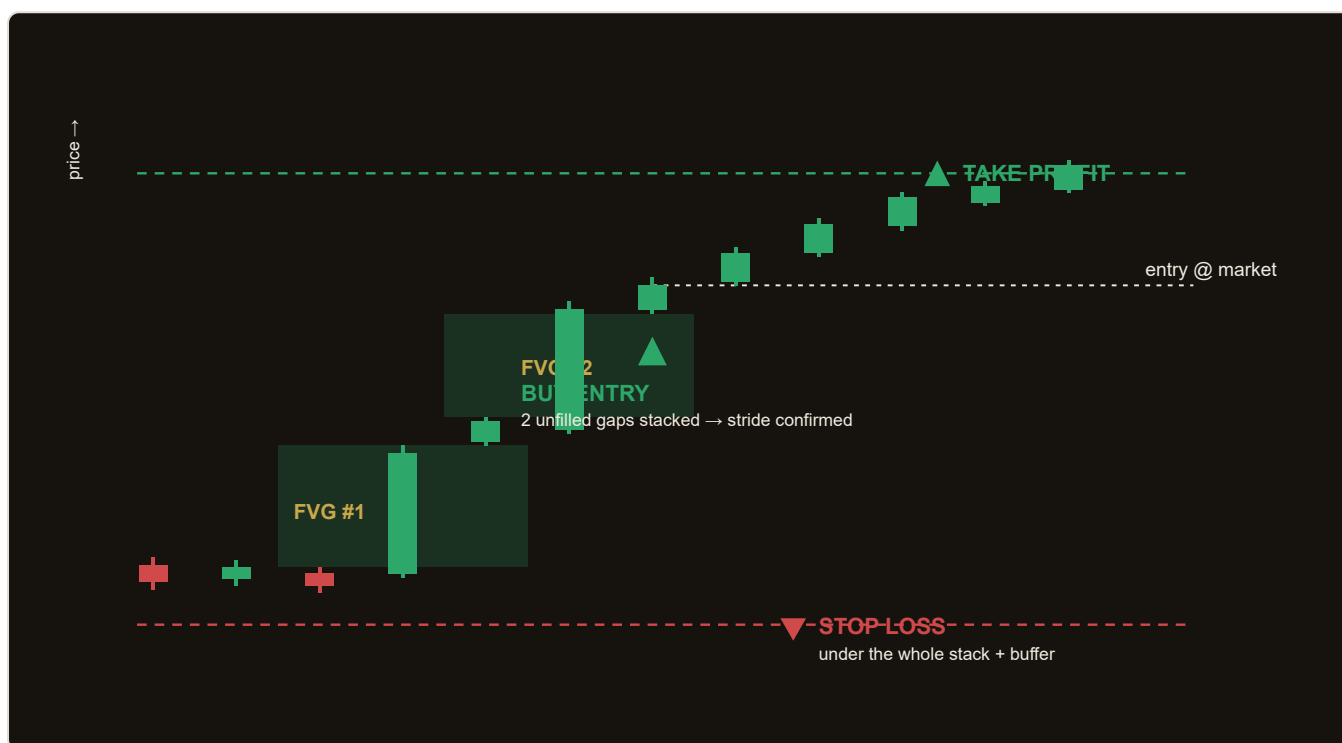
## Entry, Stop Loss & Take Profit

- **Entry:** a market order in the stride direction — Buy at the Ask for a bullish stride, Sell at the Bid for a bearish stride.
- **Stop loss:** placed beneath the lowest gap base (bullish) or above the highest gap base (bearish) of the whole stack, then offset by the stop buffer. The trade is only wrong if the entire ladder is mitigated.
- **Take profit:** a fixed reward-to-risk multiple. The measured risk (entry – stop) is multiplied by `RiskReward` and projected from entry in the trade direction.

**One position at a time.** The EA holds at most one open position per symbol for its magic number, and acts only once per freshly-closed bar (the still-forming bar is ignored). There is no trailing stop or partial close — each trade resolves at its fixed stop or target.

## 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
Lots	0.10	Order volume in lots. Range 0.01–1.00, step 0.01.
ImpulseFactor	1.00	Minimum middle-candle body, as a fraction of the average candle range, for a thrust to qualify. Range 0.50–3.00, step 0.10.
MinGapFactor	0.15	Minimum gap (vacuum) size, as a fraction of the average candle range. Range 0.05–1.50, step 0.05.
StackCount	2	Minimum number of stacked, intact same-direction gaps required to trigger a trade. Range 1–5, step 1.
StackWindow	6	Number of recent bars scanned backward for the gap stack. Range 3–20, step 1.
RiskReward	1.5	Reward-to-risk multiple used to set the take profit from the measured stop distance. Range 0.5–5.0, step 0.5.
BufferFrac	0.20	Stop buffer beyond the imbalance ladder, as a fraction of the average candle range. Range 0.00–1.00, step 0.05.
LookbackRange	20	Number of closed bars used to compute the average candle range. Range 10–60, step 1.
Magic	7741	Magic number identifying this EA's positions, so it manages only its own trades.

## Recommended Settings

---

The strategy is designed for liquid, trending instruments where displacement legs are clean and frequent.

- **Symbols:** GBP/USD or XAU/USD (works on any liquid symbol).
- **Timeframes:** M5 or M15.
- **Defaults:** the shipped values (StackCount 2, StackWindow 6, ImpulseFactor 1.00, RiskReward 1.5) are a balanced starting point.

### Tuning the conviction filter

Raise `StackCount` to 3 and/or `ImpulseFactor` above 1.0 to demand stronger, more sustained displacement — fewer but higher-quality strides. Lower them for more frequent signals. Widen `StackWindow` to capture slower-building ladders, and increase `BufferFrac` if stops are being clipped by normal noise just beyond the ladder.

**Tip — match risk to the instrument.** Because the stop is anchored to the imbalance ladder, stop distance varies with volatility. Size **Lots** to your account so a full-stack stop-out remains within your per-trade risk budget, especially on XAU/USD where ranges are larger.

## How to Install on MetaTrader 5

---

- 1 Copy `FairValueGapStride.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.