

# Harami Boundary Reversal

Expert Advisor Documentation

**PLATFORM**

MetaTrader 5 (MT5)

**TYPE**

Price-Action Reversal

**TIMEFRAME**

M30 / H1

**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

**Harami Boundary Reversal** is a price-action reversal system that fuses two classic concepts into a single high-conviction signal: the **harami** (inside-body) two-bar candle pattern and a recent **support / resistance boundary** built from the highest-high and lowest-low of a lookback window.

The edge it trades is momentum exhaustion at a level. A wide “mother” candle drives with conviction straight into an established range boundary, but the very next “child” candle opens and closes entirely *within* the mother’s body. That sudden collapse of range right at a level is a textbook sign that the side which was pushing has run out of fresh participants exactly where opposing orders rest. Harami Boundary Reversal fades that drive back into the range.

Every threshold, stop, and target is normalized by the Average True Range (ATR) on the chart timeframe, so the strategy is **timeframe-agnostic** — it adapts to whatever symbol and timeframe it is attached to. It is designed to run on the primary chart and evaluates exactly once per closed bar.

**In one sentence:** when a strong candle thrusts into a recent high or low and the next candle stalls inside it (a harami), the strategy bets that the move is exhausted and fades it back toward the middle of the range, with an ATR-based stop beyond the pattern and a fixed-ATR profit target.

# How It Works

---

## The Setup

On each freshly closed bar the EA inspects the two most recent candles plus a lookback window of bars that *precede* them:

- **Mother candle** — the bar at shift 2 (the second-to-last closed bar). This is the conviction drive into the level.
- **Child candle** — the bar at shift 1 (the most recent closed bar). This is the stall.
- **S/R window** — the `RangeLookback` bars sitting *before* the mother (shifts 3 onward). The window's highest high is the resistance shelf; its lowest low is the support shelf. Measuring the boundary *before* the mother keeps it a true, pre-existing level rather than one created by the drive itself.

## Harami Containment

A valid harami requires three conditions, all measured on candle *bodies* (open-to-close), not wicks:

- **Contained** — the child's body lies fully inside the mother's body (child body high  $\leq$  mother body high, and child body low  $\geq$  mother body low).
- **Child is small** — the child body is no larger than `HaramiMaxRatio`  $\times$  the mother body (default 55%).
- **Mother is strong** — the mother body is at least `MinMotherBodyAtr`  $\times$  ATR (default 0.60 $\times$ ), filtering out weak, indecisive drives.

## Entry Logic

Once a qualifying harami is found, direction is decided by the mother's drive and its proximity to a boundary. The required closeness is `ProximityAtr`  $\times$  ATR (default 0.50 $\times$ ).

### SHORT — BEARISH HARAMI AT RESISTANCE

- The mother is **bullish** (close > open) — an up-drive.
- The mother's high reaches the resistance shelf (mother high  $\geq$  resistance - proximity).
- A **Sell** is sent at the current Bid. The up-move into resistance has stalled, so the strategy fades it lower.

### LONG — BULLISH HARAMI AT SUPPORT

- The mother is **bearish** (close < open) — a down-drive.
- The mother's low reaches the support shelf (mother low  $\leq$  support + proximity).
- A **Buy** is sent at the current Ask. The down-move into support has stalled, so the strategy fades it higher.

## Stop Loss & Take Profit

Both exits are attached to the order at entry and are left to manage the trade — there is no trailing or break-even logic.

- **Stop loss** sits beyond the pattern's structural extreme plus an ATR buffer. For shorts: the higher of the mother/child highs, plus  $\text{SlBufferAtr} \times \text{ATR}$ . For longs: the lower of the mother/child lows, minus  $\text{SlBufferAtr} \times \text{ATR}$ .
- **Take profit** is a fixed distance of  $\text{TpAtrMult} \times \text{ATR}$  from entry (default 2.00×), placed below entry for shorts and above entry for longs.

### Worked example (short)

ATR = 0.0020 on EUR/USD. A bullish mother candle pushes its high to 1.10480, right at a 20-bar resistance of 1.10500. The next child closes inside the mother's body — a bearish harami. Entry is at the Bid, say 1.10440. The pattern high is 1.10485, so the stop is  $1.10485 + 0.30 \times 0.0020 = 1.10545$ . The target is  $1.10440 - 2.00 \times 0.0020 = 1.10040$ .

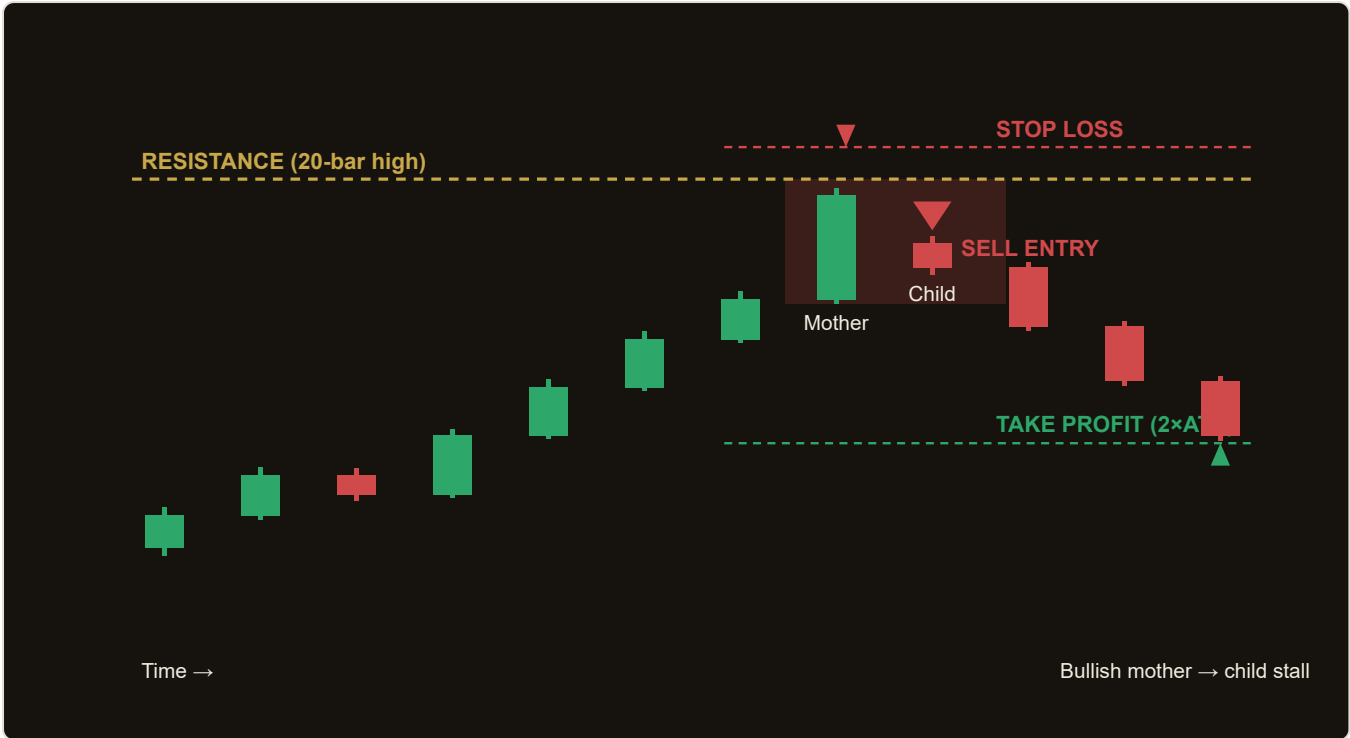
## Trade & Position Management

- **One bar, one check** — signals are evaluated only when a new bar opens, so the pattern is read from fully closed candles.
- **One position per magic** — while a position tagged with this EA's magic number is open, no new orders are placed; the stop and target manage the exit.
- **Fixed volume** — every trade uses the same **Lots** size; there is no compounding or risk-based sizing built in.

## 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 the **short** case: a strong bullish mother thrusts into resistance, the child stalls inside it (bearish harami), and the strategy fades the move down to its ATR target.



*Illustrative example only. Actual market behaviour varies.*

## Parameters

---

Parameter	Default	Description
RangeLookback	20	Number of bars in the support/resistance window measured <i>before</i> the mother candle. Range 10–60 (step 5). Larger windows produce more significant, slower-moving levels.
AtrPeriod	14	ATR averaging period. Range 7–30 (step 1). ATR normalizes every body filter, proximity test, stop buffer, and profit target so the EA adapts to volatility.
MinMotherBodyAtr	0.60	Minimum mother-candle body as a multiple of ATR. Range 0.20–1.50 (step 0.10). Higher values demand a more forceful drive into the level.
HaramiMaxRatio	0.55	Maximum child body as a fraction of the mother body. Range 0.20–0.90 (step 0.05). Lower values require a tighter, more decisive inside stall.
ProximityAtr	0.50	How close (in ATR) the mother’s extreme must come to the boundary to count as a touch. Range 0.10–1.50 (step 0.10).
SIBufferAtr	0.30	Extra stop distance beyond the pattern’s structural extreme, in ATR. Range 0.00–1.00 (step 0.10).
TpAtrMult	2.00	Take-profit distance from entry as a multiple of ATR. Range 0.50–5.00 (step 0.50).
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.00 (step 0.05). No risk-based sizing or compounding.
Magic	5160	Magic number used to tag and track this EA’s positions. Give each instance a unique value if you run several EAs on the same account.

## Recommended Settings

---

The strategy is timeframe-agnostic and runs on whatever chart it is attached to, but it works best where range edges are respected and exhaustion harami pairs are common.

- **Symbols:** EUR/USD or XAU/USD (Gold).
- **Timeframes:** M30 or H1 — enough structure for meaningful S/R, without the noise of very fast charts.
- **Defaults:** the shipped values (20-bar lookback, ATR 14, 2× ATR target) are a balanced starting point.

**Tuning tip:** if you get too few trades, loosen the filters — lower `MinMotherBodyAtr` , raise `HaramiMaxRatio` , or widen `ProximityAtr` . If signals look weak, tighten them instead. Adjust `TpAtrMult` to suit the symbol's tendency to mean-revert versus trend. Always re-run a backtest after changing inputs.

**⚠ Note on counter-trend trading** This is a reversal strategy that fades drives into a level. In strong, sustained trends a boundary can break clean through rather than reject. The ATR stop beyond the pattern extreme is what caps the loss when that happens — do not remove or widen it carelessly.

## How to Install on MetaTrader 5

---

- 1 Copy `HaramiBoundaryReversal.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.