

Liquidity Sweep Ote Continuation

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price Action / ICT Continuation

TIMEFRAME

M5 – M15 (chart TF)

WEBSITE

www.algotbot.live

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Overview

Liquidity Sweep Ote Continuation is a pure price-action Expert Advisor built around the classic ICT (Inner Circle Trader) sequence: *stop-run* → *displacement* → *Optimal Trade Entry*. It uses **no indicators of any kind** — every decision is read directly from raw OHLC bars on the chart (primary) timeframe.

The EA first maps market structure from confirmed fractal swing pivots, then waits for a liquidity sweep of the most recent swing extreme, a break of structure that confirms the order flow has shifted, and finally a retracement into the Optimal Trade Entry (OTE) discount/premium pocket of that move. Only when all three stages line up does it commit to a trade — entering with the fresh order flow while its protective stop sits behind liquidity that has already been spent.

Core idea. Smart-money setups don't trade the break — they trade the *retracement after* the break. This EA engages only *after* liquidity has been swept and structure has actually shifted, then buys the discount (or sells the premium) of that confirmed displacement leg.

How It Works

The strategy runs as a three-stage state machine, advancing one step at a time and resetting whenever a setup invalidates or goes stale. All logic is evaluated once per fully-closed bar.

Market Structure Mapping

A swing pivot is confirmed only when a bar's high (or low) dominates `SwingLookback` bars on *each* side. The most recently confirmed swing high and swing low are stored and used as the reference levels for the rest of the sequence.

Stage 1 — Liquidity Sweep

A bar must wick **beyond** the most recent confirmed swing extreme but **close back inside** it:

- **Long prime:** price pokes *below* the swing low (a sell-side liquidity grab) and closes back above it. The sweep low becomes the protected *raid extreme*.
- **Short prime:** price pokes *above* the swing high (a buy-side liquidity grab) and closes back below it. The sweep high becomes the raid extreme.

Stage 2 — Displacement / Break of Structure (BoS)

After the sweep, a bar must **close through the opposing structure level** — above the prior swing high for longs, below the prior swing low for shorts. That impulse leg, measured from the raid extreme to the break extreme, defines the *dealing range* the EA will fade back into. The setup expires if the break never arrives within `MaxSweepToBosBars`, or invalidates if price closes back through the raid extreme.

Stage 3 — Optimal Trade Entry (OTE)

The EA then waits for price to retrace into the OTE band of the displacement leg — between `OteShallow` and `OteDeep` of the range (the classic 62–79% discount/premium pocket). Entry triggers when a candle **tags the OTE band and closes in the trade direction** while still holding above (long) / below (short) the leg origin. The setup expires if the retrace never arrives within `MaxOteBars`.

Entry, Stops & Targets

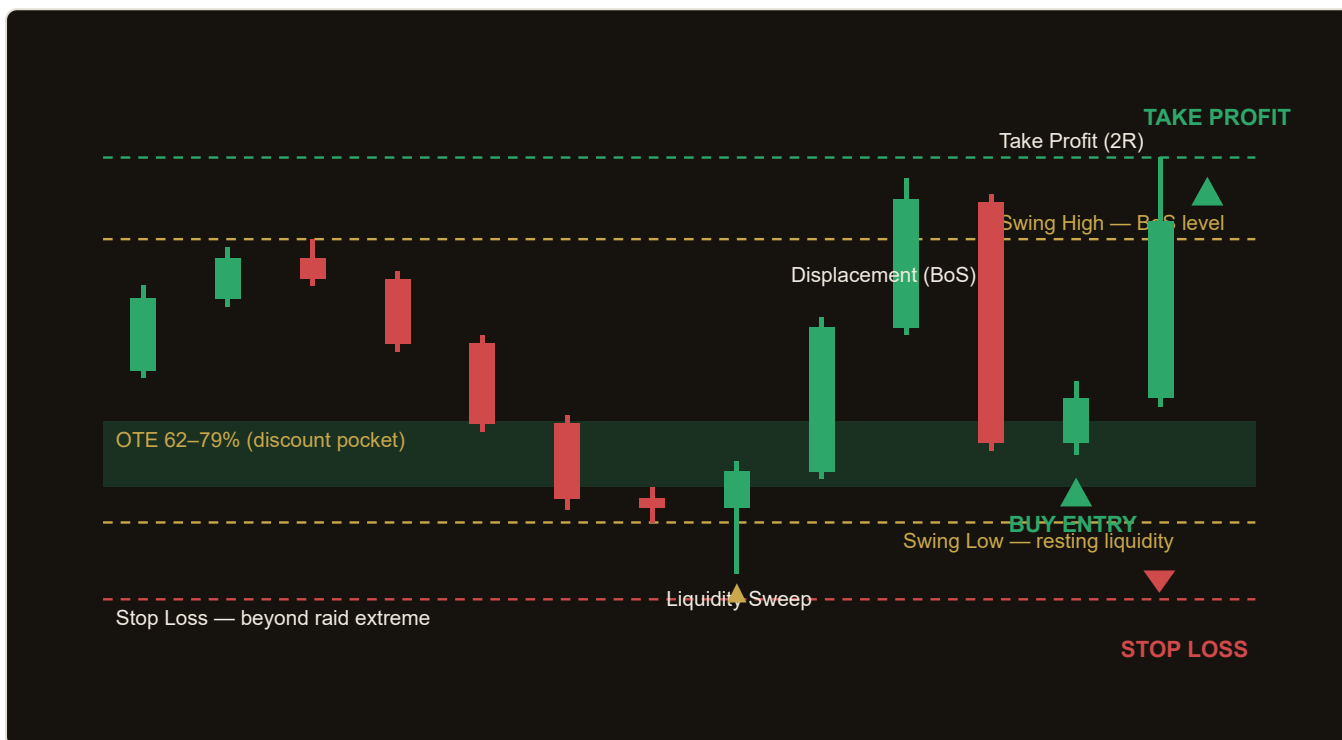
- **Entry:** market order (Buy at Ask / Sell at Bid) on the confirming OTE close.
- **Stop loss:** hidden just beyond the raid extreme — the swept liquidity should not be revisited. A buffer of 5% of the leg range is added beyond the lower-of-candle-low / leg-low (long) or higher-of-candle-high / leg-high (short).
- **Take profit:** a fixed reward:risk multiple (`RiskRewardRatio`) of the measured stop distance.
- **Position management:** once live, the broker-side SL/TP manage the exit; the EA holds only one position per magic number at a time.

Worked example — long setup

Swing low sits at 1.09500. Price wicks to 1.09460 (sweep) and closes at 1.09540. A later bar closes at 1.09720, above the prior swing high (BoS) — leg = 1.09460 → 1.09760. Price retraces into the 62–79% pocket and a bullish bar closes at 1.09600. The EA buys at Ask, places its stop just below 1.09460, and targets 2R above entry.

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
SwingLookback	3	Bars a high/low must dominate on each side to confirm a fractal swing pivot. Range 2–6, step 1. Higher = stronger but rarer structure.
OteShallow	0.62	Shallow edge of the OTE pocket (62%). Range 0.50–0.72, step 0.01. Marks where the retracement first becomes eligible for entry.
OteDeep	0.79	Deep edge of the OTE pocket (79%). Range 0.70–0.90, step 0.01. The deepest part of the discount/premium pocket.
RiskRewardRatio	2.0	Fixed reward:risk multiple used to set the take-profit from the measured stop distance. Range 1.0–5.0, step 0.5.
MaxSweepToBosBars	8	Maximum bars allowed between the liquidity sweep and the break of structure before the setup expires. Range 2–25, step 1.
MaxOteBars	12	Maximum bars allowed between the break of structure and the OTE retrace tag before the setup expires. Range 3–40, step 1.
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	90412	EA magic number used to identify and isolate this strategy's positions on the account.

Tip. `OteShallow` must stay below `OteDeep` — together they define the band, not single levels. Keeping the default 62–79% pocket matches the textbook ICT OTE zone; widening it accepts shallower retracements at the cost of looser entries.

Recommended Settings

The EA is timeframe-agnostic and reads only the chart it is attached to, but the sweep → displacement → OTE rhythm is cleanest on intraday charts with well-defined structure.

- **Symbols:** liquid FX majors (EURUSD, GBPUSD, USDJPY) and major indices where stop-runs and displacement are most reliable.
- **Timeframe:** M5 to M15 for active intraday setups; H1 for a slower, higher-conviction cadence.
- **SwingLookback:** 3 is a balanced default. Use 2 on lower timeframes for more frequent structure, 4–6 on higher timeframes to filter noise.
- **RiskRewardRatio:** 2.0 is the baseline; 1.5 raises hit-rate, 3.0+ favours fewer, larger winners.

- **Lots:** size to your account so a stop at the raid extreme risks no more than a small, fixed percentage of equity.

Always validate first. Backtest and forward-test on a demo account with your broker's spread and execution before risking live capital. The fixed **Lots** input does not auto-scale risk to the stop distance — confirm position size manually for the symbols you trade.

How to Install on MetaTrader 5

- 1 Copy `LiquiditySweepOteContinuation.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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