

Mitigation Block Continuation

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Price-Action Continuation (ICT)	M15 – H1	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

Mitigation Block Continuation is a pure price-action Expert Advisor built on the ICT (Inner Circle Trader) concept of the *mitigation block*. It uses **no indicators of any kind** — every decision is drawn from raw candle geometry: structure breaks, candle direction, and rolling swing extremes.

The core premise is simple. In a healthy trend, a shallow pullback dips into the last opposing candle and the trend then resumes by **breaking structure** — closing beyond the rolling swing extreme — without first sweeping the protected swing on the other side. That “failure-swing” pullback leaves an unfilled pocket of institutional orders inside the last opposing candle: the **mitigation block**. Price tends to return to that block to fill (mitigate) those orders before the trend continues. The EA anticipates that return and joins the continuation.

Unlike a plain displacement or order-block retrace system, this strategy is **continuation-only** (it requires a directional body close beyond the swing extreme, not a fractal pivot), it uses the **full wick-inclusive range** of the last opposing candle as the block, and it never rests a passive limit order — it waits for price to dip into the block and **close back in the trend direction**, then enters at **market** on that confirmation.

Why it can work: shallow failure-swing pullbacks leave genuine unfilled institutional orders that price reliably revisits before continuing. By demanding a confirmed close back in the trend direction, the EA seeks momentum entries with structure-based stops and an asymmetric, fixed reward:risk payoff — momentum, not hope.

How It Works

The EA evaluates logic **once per newly-closed bar** on its chart timeframe. All references below are to completed candles — nothing is acted on intrabar. It maintains a rolling buffer of recent bars and tracks a single armed setup at a time.

1. Break of Structure — Arming the Setup

On each closed bar, the EA measures the rolling **swing high** and **swing low** over the last `SwingLookback` bars (excluding the just-closed bar). A setup is armed when the just-closed bar shows directional intent:

- **Bullish BOS:** the bar closes *above* the prior swing high *and* closes bullish (close > open).
- **Bearish BOS:** the bar closes *below* the prior swing low *and* closes bearish (close < open).

When a break of structure fires, the EA locates the **mitigation block:** the full high-to-low range of the most recent *opposing* candle before the impulse. A bullish BOS uses the last **down-close** candle; a bearish BOS uses the last **up-close** candle. The search scans backwards within the lookback window, skipping the impulse bar itself. The EA never enters on the arming bar — it waits for price to return.

2. Aging & Invalidation

Once armed, the setup is monitored on every subsequent closed bar and is **discarded** if any of the following occur:

- More than `ReturnBars` bars pass without a confirmed return (the opportunity has gone stale).
- For a long: a bar **closes below** the block's lower edge (the block is broken down).
- For a short: a bar **closes above** the block's upper edge (the block is broken up).
- The block has zero or negative height (a malformed candle).

3. Confirmed Entry

The EA enters at **market** only when price returns into the block and confirms back in the trend direction:

- **Long entry:** the bar's low dips into the block ($\text{low} \leq \text{block high}$), it closes back inside or above the block ($\text{close} \geq \text{block low}$), and it closes bullish. Buy at the current `Ask`.
- **Short entry:** the bar's high pushes into the block ($\text{high} \geq \text{block low}$), it closes back inside or below the block ($\text{close} \leq \text{block high}$), and it closes bearish. Sell at the current `Bid`.

Parameters

Parameter	Default	Description
SwingLookback	8	Rolling structure window, in bars, used to measure the swing high/low for the break-of-structure test and to bound the search for the mitigation candle. Range 3–30 (step 1). Larger values demand a more significant structural break.
ReturnBars	15	Maximum number of bars to wait for price to return into the block after a setup is armed. If exceeded, the setup is discarded. Range 3–50 (step 1).
StopBufferPct	0.25	Stop-loss buffer expressed as a fraction of the block height, placed beyond the block's far edge. Range 0.0–1.0 (step 0.05). Higher values give more breathing room at the cost of wider stops.
RiskReward	2.0	Fixed reward-to-risk multiple used to set the take profit relative to the stop distance. Range 1.0–6.0 (step 0.5). A value of 2.0 targets twice the risked distance.
Lots	0.10	Fixed lot size for each trade. Range 0.01–1.0 (step 0.05). Size this to your account and per-trade risk tolerance.
Magic	770318	Magic number identifying this EA's orders, so it manages only its own positions and can coexist with other EAs on the same account.

Recommended Settings

As a pure structure-and-continuation strategy, Mitigation Block Continuation suits liquid instruments with clean, trending intraday structure. The defaults are a balanced starting point; tune them on your chosen symbol and timeframe before going live.

- **Markets:** Major FX pairs (e.g. EUR/USD, GBP/USD) and liquid indices that display clear impulse-and-retrace behaviour.
- **Timeframe:** M15 to H1. Lower timeframes generate more setups but more noise; higher timeframes give cleaner structure with fewer signals.
- **SwingLookback:** 6–12 for intraday charts. Increase it to filter out minor breaks and trade only more significant structure.
- **ReturnBars:** Keep proportional to the timeframe — a quick mitigation should occur within a handful of bars; widen it on slower charts.
- **RiskReward:** 2.0 is a sensible default. Higher multiples improve payoff per win but lower the hit rate.

Example configuration — EUR/USD, H1

SwingLookback = 8, ReturnBars = 15, StopBufferPct = 0.25, RiskReward = 2.0, Lots = 0.10. The EA arms on an H1 break of structure, waits up to 15 bars for price to mitigate the last opposing candle, and enters at market on a confirmed close back in the trend direction with the stop just beyond the block's far edge.

Always validate first. Run a backtest in the MT5 Strategy Tester and then a forward test on a demo account before risking real capital. The fixed lot size does not adapt to account balance — confirm your per-trade risk is acceptable for your equity.

How to Install on MetaTrader 5

- 1 Copy `MitigationBlockContinuation.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.