

Pivot Boundary Reclaim Scalp Hedge

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Pivot Fade Reversal Scalp (Hedged)

TIMEFRAME

M5 / M15

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

Pivot Boundary Reclaim Scalp Hedge is a pure price-action Expert Advisor that uses *no indicators whatsoever* — no moving averages, RSI, ATR, or Bollinger Bands. Every decision is built from raw bars alone, combining four classic ideas into one self-contained system: floor-trader **pivot levels**, a two-bar **engulfing** pattern, a **failed-breakout reversal scalp**, and a resting **stop-order hedge**.

The strategy fades the false breakouts that so often occur at pivot lines. When price pierces a pivot and then snaps back with a confirming engulfing bar, the EA sells (or buys) the rejection, targeting the next inner pivot — a clean pivot-to-pivot scalp. At the same instant it drops an opposite stop order just beyond the rejected extreme. If the breakout turns out to be real, that hedge fills *first* and rides the genuine move while the scalp's wider stop bows out, turning a whipsaw loss into a hedged scratch — or a win. A basket money-manager watches floating profit and loss across every open leg and is the dominant exit.

Because all distances are scaled by the prior day's trading range, the logic adapts to any symbol or timeframe without hard-coded point sizes. Its natural home is a liquid FX major such as **EURUSD** or **GBPUSD** on **M5** or **M15** — the classic arena of pivot false-breakout scalping.

No second timeframe is read. Rather than pull a higher-timeframe daily bar, the EA aggregates the primary-timeframe bars into UTC calendar days on the fly. When a day completes its High / Low / Close are frozen and the pivot ladder is computed once — held static for the next session, so the levels never repaint.

How It Works

1. Building the pivot ladder

As each primary-timeframe bar closes it is folded into the running UTC day (tracking that day's High, Low and Close). When the calendar day rolls over, the finished day is frozen and the textbook floor-trader ladder is computed:

$$\begin{aligned} P &= (H + L + C) / 3 \\ R1 &= 2P - L & S1 &= 2P - H \\ R2 &= P + (H - L) & S2 &= P - (H - L) \end{aligned}$$

The five values are sorted ascending into a static ladder `[S2, S1, P, R1, R2]` that governs the entire next session. The prior day's range (`H - L`) becomes the single **scale unit** for every buffer and offset in the system, so the EA self-adjusts to volatile and quiet symbols alike. On startup several days of closed bars are seeded so a usable ladder exists almost immediately.

2. The entry — failed-breakout reversal + engulfing

Pivot lines are exactly where intraday breakouts most often fail. The EA fades a level only when price pierces it and then snaps back with a confirming two-bar engulfing candle (the signal bar's body must fully engulf the prior bar's body). The rules are distinct mirror images:

- **Short setup** — the last two bars pierce a resistance pivot (`R1 / R2 / P`) from below, but the closing bar is a **bearish engulfing** that closes back *below* the level. The breakout failed → sell the rejection, targeting the next inner pivot down.
- **Long setup** — price pierces a support pivot (`S1 / S2 / P`), but the closing bar is a **bullish engulfing** that reclaims the level → buy the rejection, targeting the next inner pivot up.

The take-profit is always a real structural pivot — the next pivot inward — making this a clean pivot-to-pivot scalp. The stop sits just beyond the rejected extreme. A minimum **reward:risk** filter rejects cramped setups before any order is sent.

3. The hedge — surviving a real breakout

A fade's nightmare is the breakout that was genuine. So the instant the reversal scalp is taken, the EA drops an opposite resting stop order at the pierced extreme — a **Buy Stop above** (for a short) or a **Sell Stop**

below (for a long). It is deliberately placed *closer* than the scalp's own stop, so a real breakout triggers the hedge **first**:

- The hedge fills, and both legs are held briefly as a locked hedge.
- The scalp's wider stop is then hit and bows out.
- The hedge rides the real move to the next *outer* pivot.

The whipsaw that would have been a clean loss becomes a hedged scratch, or even a profit.

4. Basket management — the dominant exit

Whenever any exposure is open, the EA monitors the basket's combined floating profit + swap on *every tick*:

- Bank the entire basket once floating profit reaches `BasketTpMoney`.
- Flatten the entire basket once floating loss reaches `BasketSlMoney`.

This is what harvests a recovered whipsaw the moment the net turns green, and it caps the one remaining failure mode — a hard one-way trend after the hedge fills.

Order flow & housekeeping

Structural logic runs only once per newly-closed bar, while basket management runs every tick. The EA keeps its own house clean:

- While any position is open, it defers entirely to the basket manager and the per-leg SL/TP.
- If it is flat but a hedge stop still rests (the scalp closed and the hedge never triggered), the stale pending order is cancelled before hunting again.
- New entries are skipped while the spread exceeds `MaxSpreadPoints` (set to 0 to disable the filter).
- All trades are tagged with the configurable `Magic` number so the EA only ever manages its own orders.

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.

EUR/USD · M15 — Failed-Breakout Pivot Reclaim (Long example)



Illustrative example only. Actual market behaviour varies.

Walk-through of the long example above

Price drifts down and pierces the support pivot **S1**, briefly trading inside the shaded "failed breakdown" zone.

The next bar is a

bullish engulfing

candle that reclaims S1 and closes above it → a long is opened at its close (BUY ENTRY). The take-profit is set at the next inner pivot up, **P**. A protective

Sell-Stop hedge

rests just below the rejected low (fills first if the breakdown is real), while the scalp's own stop sits further below.

Price rallies to **P** and the scalp is banked — or, the moment net floating profit reaches **BasketTpMoney**, the whole basket is closed.

Parameters

Parameter	Default	Description
StopBufferFrac	0.12	Stop-loss buffer placed beyond the rejected extreme, as a fraction of the prior day's range. Range 0.02–0.60, step 0.02.
HedgeOffsetFrac	0.04	How far inside the scalp's stop the hedge trigger sits, as a fraction of the day range. Must stay below <code>StopBufferFrac</code> so the hedge fills before the scalp's stop. Range 0.00–0.30, step 0.02.
MinRewardRisk	1.00	Minimum acceptable reward:risk (target ÷ stop) for the reversal scalp. Setups below this are skipped. Range 0.30–3.00, step 0.10.
BasketTpMoney	25.0	Bank the whole basket once floating profit reaches this amount (account currency). Range 5.0–2000.0, step 5.0.
BasketSiMoney	300.0	Flatten the whole basket once floating loss reaches this amount (account currency). Range 50.0–100000.0, step 50.0.
MaxSpreadPoints	80	Skip new entries while the spread (in points) is wider than this. Set to 0 to disable the filter. Range 0–500, step 5.
Lots	0.10	Order volume (lots) for each leg. Range 0.01–1.00, step 0.05.
Magic	7340	Magic number identifying this EA's orders so it only manages its own trades. Range 0–9,999,999, step 1.

Recommended Settings

The strategy is designed for liquid FX majors where pivot levels are most respected and spreads are tight.

- **Symbols:** EURUSD or GBPUSD (other major pairs with tight spreads are also suitable).
- **Timeframes:** M5 or M15 — the natural home of pivot false-breakout scalping.
- **Account:** a hedging account is required, since the strategy intentionally holds an opposite position alongside the scalp.
- **Spread filter:** keep `MaxSpreadPoints` active (≈ 80) to avoid entering during illiquid, wide-spread conditions.

Sizing the basket exits. `BasketTpMoney` and `BasketSlMoney` are the dominant exits and are expressed in account currency — scale them to your account size and to the `Lots` you trade. Keep `HedgeOffsetFrac` meaningfully below `StopBufferFrac` so the hedge always fills before the scalp's protective stop; otherwise the hedge cannot do its job.

Hedging behaviour. This EA opens an opposing position as a hedge by design, so it must run on a **hedging** account, not a netting one. On a netting account the opposing stop order would offset rather than hedge the scalp, defeating the strategy. Always confirm your broker and account type before going live, and validate on a demo account first.

How to Install on MetaTrader 5

- 1 Copy `PivotBoundaryReclaimScalpHedge.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.