

Polarity Flip Retest

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price Action — Break & Retest

TIMEFRAME

H1 (Hourly)

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

Polarity Flip Retest is a pure price-action Expert Advisor that trades horizontal support and resistance with **no indicators of any kind** — no moving averages, no RSI, no ATR, nothing. Every decision is driven by real, confirmed swing structure on the chart and by the shape of the candle that prints at the retest.

The core idea is the **polarity flip** (also called role reversal): once price decisively breaks a level, that level changes role. A broken *resistance* becomes *support*, and a broken *support* becomes *resistance*. The highest-probability moment to act is not the breakout candle itself, but the first **retest** of the flipped level — where the market comes back to “kiss” the old barrier from the other side and rejects it. The EA only enters when that rejection is confirmed by a dedicated candlestick pattern, so a single lifeless touch is ignored.

The result is a trend-continuation swing style that **buys broken resistance** and **sells broken support** on the pullback, rather than chasing the initial break. Its natural home is a liquid FX major such as **EURUSD** or **GBPUSD** on the **H1** timeframe.

Note: Because every level is built from *confirmed* swing pivots (a pivot is only used once it already has the required number of bars to its right), the levels **never repaint**. What you see on a closed bar is what the EA acted on.

How It Works

1. Building the levels

The only thing the strategy looks at is horizontal structure. A bar qualifies as a swing **high** (resistance) when its high is the strict extreme over `PivotLeftRight` bars on *each* side; a swing **low** (support) is the mirror. Because a pivot needs `PivotLeftRight` bars to its right before it can be used, the level is fully confirmed and cannot change after the fact. The EA always works from the **most recent confirmed** swing high and swing low.

2. The three-step sequence

For a **long** (the short side is an exact mirror), three things must happen in order:

- 1 Break** — a *above* the most `BreakBufferFrac` of the swing range `ExpiryBars` bars.
 closed recent `BreakBufferFrac` of the swing range (resistance – support).
 bar swing- That resistance now
 closes high resistance flips to support, and
 by the EA “arms” a retest
 watch on it for
- 2 Retest** — within that *down* to the flipped `RetestToIFrac` of *closes* — the old
 window, a level (its low `RetestToIFrac` of the *back* resistance is
 closed bar dips comes within level) *above* holding as fresh
 back yet *it* support.
- 3 Confirm** — *bullish* : a bullish `ConfirmWickFrac` of the bar’s range) **buy the**
 that *rejection* body that is or a bullish engulf **continuation**
 same *candle* either a of the prior bar.
 bar hammer (long Only then does
 is a lower wick ≥ the EA

Worked example (long)

Suppose recent structure has resistance at 1.0850 and support at 1.0790 (swing range = 0.0060). With `BreakBufferFrac = 0.05`, a bar must close above $1.0850 + 0.05 \times 0.0060 = 1.0853$ to register a break and flip 1.0850 into support. Within the next 12 bars (`ExpiryBars`), price pulls back: a bar dips to 1.0848 (within `RetestToIFrac` of the level) but closes at 1.0861 with a long lower wick — a hammer. That candle confirms the retest and the EA goes long.

3. Confirmation candles

The confirming bar must show genuine rejection, not just a touch:

- **Bullish hammer** — a bullish body whose lower wick is at least `ConfirmWickFrac` of the candle's full range, showing lower prices were rejected.
- **Bullish engulf** — a bullish body that fully engulfs a prior bearish bar (opens at/below the prior close and closes at/above the prior open).
- **Bearish equivalents** — for shorts, a shooting star (long upper wick) or a bearish engulf of a prior bullish bar.

4. Risk & exits (structural, point-size free)

Stops and targets are defined entirely by structure and by fractions of the bar/swing range — there is no ATR and no fixed pip distance, so the logic adapts to whatever instrument and volatility it runs on.

```
LONG  SL = min(level, retest.Low) - StopBufferFrac * range ; TP = entry + RewardRatio * risk
SHORT SL = max(level, retest.High) + StopBufferFrac * range ; TP = entry - RewardRatio * risk
      risk = | entry - SL |      ( range = confirming bar's High - Low )
```

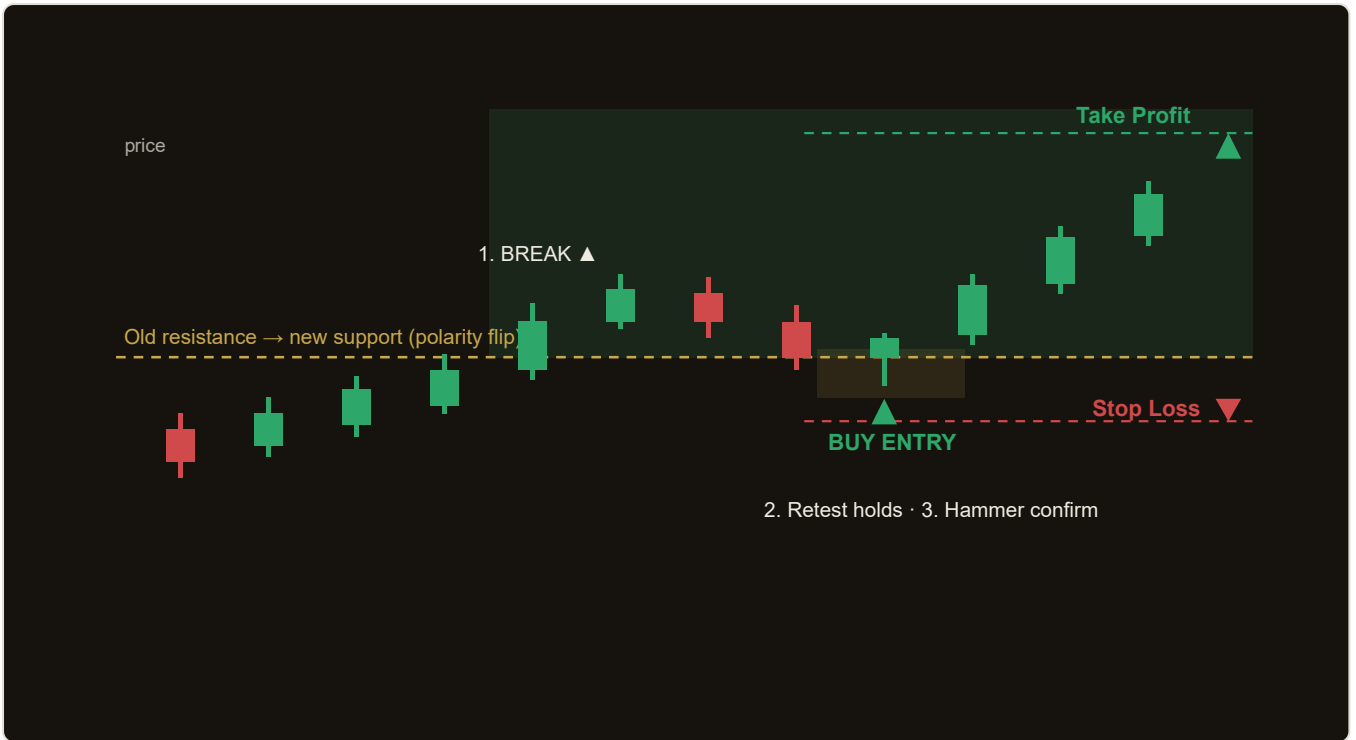
The stop is parked just beyond the structural extreme of the retest, and the take-profit is a fixed `RewardRatio` multiple of that stop distance (default 2.0, i.e. a 2:1 reward-to-risk target).

5. Position management

- **One bar, one decision** — the EA acts only on a newly closed bar; intrabar noise is ignored.
- **Retests before breaks** — armed retests are processed *before* new breaks are armed, so a single bar can never both arm a watch and fire it.
- **One position per magic** — entries require a flat book; the EA holds at most one open trade per `Magic` number on the symbol.
- **Expiry** — if no valid retest occurs within `ExpiryBars` bars of the break, the watch is disarmed and the setup is abandoned.

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

All inputs below are exposed in the MT5 EA properties dialog. Values in parentheses in the description show the permitted range.

Parameter	Default	Description
PivotLeftRight	3	Bars required on each side of a bar for it to qualify as a swing pivot. (2–8, step 1)
BreakBufferFrac	0.05	How far beyond a level a bar must <i>close</i> to count as a real break, as a fraction of the current swing range (resistance – support). (0.00–0.50, step 0.05)
RetestToIFrac	0.15	How close the retest must come back to the flipped level, as a fraction of the swing range recorded at the break. (0.02–0.60, step 0.02)
ConfirmWickFrac	0.45	Minimum rejection-wick length on the confirming candle, as a fraction of its full range (hammer for longs / shooting-star for shorts). (0.20–0.90, step 0.05)
ExpiryBars	12	How many bars after the break the retest stays valid before it expires. (2–40, step 1)
StopBufferFrac	0.10	Stop buffer placed beyond the structural extreme, as a fraction of range. (0.00–1.00, step 0.05)
RewardRatio	2.00	Take-profit distance as a multiple of the structural stop distance. (1.00–6.00, step 0.50)
Lots	0.10	Fixed trade volume in lots. (0.01–1.00, step 0.05)
Magic	7401	Magic number used to identify and manage this EA's positions. (0–9,999,999, step 1)

Recommended Settings

The strategy was designed around the defaults shown above. A sensible starting point:

- **Symbol:** a liquid FX major such as **EURUSD** or **GBPUSD**.
- **Timeframe:** **H1** (hourly) — the swing-pivot logic and retest windows are tuned for this scale.
- **Pivot sensitivity:** keep `PivotLeftRight = 3` for responsive levels; raise it (4–5) for fewer, more significant levels on noisier symbols.
- **Break filter:** increase `BreakBufferFrac` to demand a more decisive break and reduce false flips; decrease it to catch breaks earlier.
- **Confirmation strictness:** a higher `ConfirmWickFrac` demands a cleaner rejection candle (fewer, higher-quality entries).
- **Targets:** `RewardRatio = 2.0` gives a 2:1 target; raise it for trend-runner exits, lower it for a higher hit-rate.

Tip: Always validate any parameter change in the MT5 Strategy Tester on your broker's data before going live. Because risk is expressed in fractions of structural range rather than fixed pips, the same settings transfer reasonably across instruments — but spread and tick size still differ broker to broker.

How to Install on MetaTrader 5

- 1 Copy `PolarityFlipRetest.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 (e.g. EURUSD H1)
- 4 Configure the input parameters and click **OK**
- 5 Enable **Algo Trading** in the MT5 toolbar

Risk Warning

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