

# Power Candle Scalper

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Momentum Breakout Scalping

## TIMEFRAME

M1 (1-Minute)

## 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

**Power Candle Scalper** is a pure price-action momentum scalper for MetaTrader 5. It uses **no indicators whatsoever** — no moving averages, no RSI, no ATR — relying entirely on the raw shape and placement of recently closed candles. The edge comes from a strict **two-bar “power sequence”**: instead of trusting a single candle, the strategy demands back-to-back conviction before committing to a trade.

The market rarely shows its hand with one bar. Power Candle Scalper waits for an **ignition** candle that decisively breaks recent structure, then requires a second **confirmation** candle that accelerates through the first in the same direction. Two strong, body-dominant candles closing at their tips, with the second extending past the first, signal sustained one-sided order flow rather than a one-off spike that fades.

The strategy is built for tight-spread, fast-moving instruments such as **EUR/USD on the M1 (1-minute) timeframe**, though it runs on any liquid symbol and timeframe selected by the backtest. Risk is fully **structural and self-scaling**: the stop sits just beyond the sequence's opposite extreme (a fraction of the sequence range, so no per-symbol point math), and the target is a fixed reward-to-risk multiple. A spread gate keeps the scalp realistic on the fast 1-minute chart.

**Core idea** — A micro break of structure, confirmed by a second accelerating power candle, filters out the random single-bar pokes that dominate 1-minute noise. Genuine momentum bursts tend to extend a little further before mean-reverting, and the EA takes only the slice where conviction is doubly proven, capping risk to the exact sequence that produced the signal.

## How It Works

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On every freshly-closed bar the EA inspects the two most recently completed candles — the **ignition** candle (shift 2) and the **confirmation** candle (shift 1, just closed) — together with the prior structure behind them. It acts at most once per closed bar and holds only one position at a time per magic number.

### 1. The Ignition Candle (the spark)

The older of the two closed candles must be a decisive, body-dominant candle that:

- has a body at least `BodyDominance` of its own range (no wick-heavy indecision);
- closes hard into its own extreme — at least `CloseStrength` of the way to the high (longs) or low (shorts);
- closes **beyond the high/low of the prior `BreakoutLookback` bars** — a clean micro break of structure.

### 2. The Confirmation Candle (acceleration)

The very next candle must **also** be body-dominant and strong-closing in the **same direction**, and it must **extend past the ignition candle's extreme**:

- for longs: `confirmation.Close > ignition.High` ;
- for shorts: `confirmation.Close < ignition.Low` .

Two power candles in a row, each closing at its tip, with the second accelerating through the first, indicate sustained momentum rather than a fading spike.

### 3. Entry

When both conditions align, the EA enters at the close of the confirmation candle — buying at the Ask for longs, selling at the Bid for shorts — riding the burst for a quick scalp. Trades are skipped if the current spread exceeds `MaxSpreadPoints` .

### 4. Exit — Structural Stop & Fixed-R Target

Risk is defined entirely by the candles that created the signal:

- **Stop loss** sits just beyond the opposite extreme of the two-candle sequence — below `min(ignition.Low, confirmation.Low)` for longs (above the max high for shorts) — buffered by `StopBufferFrac` × the sequence range. Because the buffer scales to the sequence itself, no per-symbol point math is required.

- **Take profit** is placed at `RewardRatio` × the structural stop distance from entry.

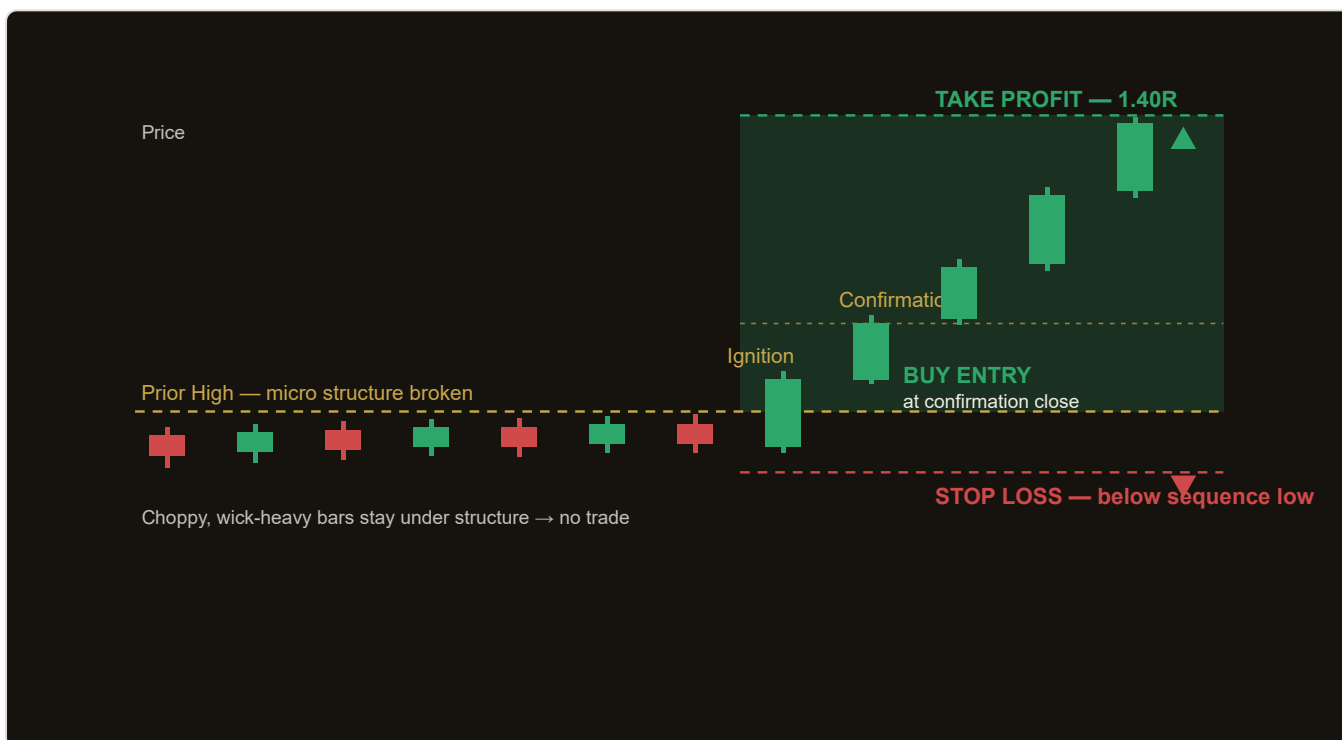
Once a position is open, the EA lets the structural stop or target close it — no trailing or averaging.

### Worked example (long)

Suppose the last 5 bars topped out at 1.08500. The ignition candle is a strong bullish bar that closes at 1.08540 (above 1.08500 — structure broken) with its close in the top 65% of its range. The next candle is also bullish, body-dominant, and closes at 1.08580 — above the ignition high of 1.08555 (acceleration). The EA buys at the Ask. The sequence low is 1.08480; with a 0.15 buffer of the sequence range the stop is ~1.08465 (risk ≈ 11.5 pips), so the target at 1.40R sits ~16 pips 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

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Parameter	Default	Description
BreakoutLookback	5	Number of bars immediately before the ignition candle whose high/low its close must break — the micro break of structure. Range 2–25, step 1.
BodyDominance	0.55	Minimum body-to-range ratio each power candle must satisfy, rejecting choppy, wick-heavy indecision. Range 0.30–0.85, step 0.05.
CloseStrength	0.65	Minimum fraction of its range each candle must close into its extreme — $(\text{Close} - \text{Low}) / \text{range}$ for longs (closed near the top). Range 0.50–0.95, step 0.05.
StopBufferFrac	0.15	Extra stop distance placed beyond the two-candle sequence extreme, expressed as a fraction of the sequence range (structural, self-scaling — no point math). Range 0.00–1.00, step 0.05.
RewardRatio	1.40	Take-profit distance as a multiple of the structural stop distance. Range 0.60–4.00, step 0.10.
MaxSpreadPoints	20	Skip the scalp if the current spread (in points) is wider than this — keeps the M1 scalp realistic. Range 1–200, step 1.
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.00, step 0.05.
Magic	5108	Unique magic number so the EA manages only its own positions. Range 0–9,999,999, step 1.

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## Recommended Settings

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The strategy is designed for **fast, tight-spread instruments on the M1 timeframe**. The default parameters are a balanced starting point; always validate on your own broker's data and spread conditions before live use.

- **Symbol:** EUR/USD or another highly liquid major with consistently low spread.
- **Timeframe:** M1 (1-minute) — the timeframe the strategy was built for.
- **Spread gate:** Keep `MaxSpreadPoints` tight ( $\approx 20$  or lower). On a 1-minute scalp, a wide spread quietly erodes the edge — this gate is your first line of defence.
- **Conviction filters:** Raising `BodyDominance` and `CloseStrength` yields fewer but cleaner signals; lowering them trades more often with looser quality.
- **Risk/Reward:** The default `RewardRatio` of 1.40 favours a higher hit-rate scalp. Increase it for fewer, larger wins; decrease for more frequent, smaller targets.

**Tip** — Because the stop is structural (a fraction of the actual signal's range) rather than a fixed pip count, the strategy adapts automatically to volatility: quiet sequences get tight stops, explosive ones get wider stops — all without re-tuning per symbol.

**Position sizing** — `Lots` is a fixed volume and does not auto-scale to account equity. Choose a lot size appropriate to your balance and risk tolerance, and remember that on M1 the EA can generate frequent signals.

## How to Install on MetaTrader 5

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- 1 Copy `PowerCandleScalper.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 (EUR/USD, M1)
- 4 Configure the input parameters and click **OK**
- 5 Enable **Algo Trading** in the MT5 toolbar

## Risk Warning

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