

Quasimodo Reversal

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price-Action / Market-Structure Reversal

TIMEFRAME

H1 / H4 (Primary)

WEBSITE

www.algotbot.live

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Overview

Quasimodo Reversal is a pure price-action Expert Advisor that trades the Quasimodo (also called the “Over-and-Under” or simply “QM”) market-structure pattern. It uses *no* indicators, oscillators, moving averages, or volume — every decision is derived from raw OHLC swing structure on a single, primary timeframe.

The Quasimodo is a **failed trend continuation**. Price makes a fresh extreme that traps breakout traders, then breaks structure in the opposite direction, signalling that the dominant side has lost control. The EA maps the market into a clean alternating zig-zag of swing highs and lows, identifies the pattern, and then waits patiently for price to retest the “QM line” (the left-shoulder level) before entering against the prior trend.

What makes it different: rather than reacting to lagging indicators, Quasimodo Reversal reads the underlying structure of the market directly. A trade is taken only when price returns to a precise, pre-defined level and shows rejection — combining a structural edge with a clearly invalidated risk point.

How It Works

1. Mapping market structure

On every newly-closed bar the EA confirms **fractal swing pivots**. A bar qualifies as a swing high (or low) only if its high (or low) strictly exceeds its `SwingLookback` neighbours on *both* sides. Confirmed pivots are folded into an alternating high / low zig-zag; consecutive same-type pivots are merged, keeping the more extreme one, so the zig-zag always reflects true structure.

2. The Quasimodo pattern

The EA inspects the last four alternating swings for a completed Quasimodo. There are two mirror-image variants:

BEARISH QM — SELL

Four swings in sequence: `SH1, SL1, SH2, SL2` where:

- **SH2 > SH1** — price prints a *higher high* (the “head”; SH1 is the left shoulder).
- **SL2 < SL1** — price then makes a *lower low*, a Break of Structure (BoS) to the downside, confirming buyers have lost control even though a new high was just made.

The left-shoulder high **SH1 becomes the QM line**. The EA sells the pullback back up into that line, expecting the reversal to resume lower.

BULLISH QM — BUY

The mirror image: `SL1, SH1, SL2, SH2` where **SL2 < SL1** (lower low = head, SL1 = left shoulder) and **SH2 > SH1** (higher high = upside BoS). The EA buys the pullback back down into the left-shoulder low **SL1**.

3. Entry — retest and rejection

Once a pattern is armed, the EA does *not* enter immediately. It waits for price to **retest the QM line and reject it**:

- **Tag:** price must come within a tolerance band of the QM line. The band width is `RetestTolerance` × the shoulder-to-head span, allowing for imperfect retests.
- **Rejection:** the bar must close back on the reversal side of the line (below it for a sell, above it for a buy).

Only when both conditions are met on the same closed bar does the EA send the order — a market sell at the Bid (bearish QM) or market buy at the Ask (bullish QM).

4. Exits, stop-loss & take-profit

- **Stop-loss** sits just beyond the *head* swing — the exact level that invalidates the reversal thesis — buffered by `StopBufferPercent` × the structure span.

Parameters

Parameter	Default	Description
SwingLookback	3	Fractal pivot half-width (range 2–6). Number of bars on each side a candidate must strictly exceed to confirm a swing high/low. Lower values detect more, noisier pivots; higher values track only major structure.
RetestTolerance	0.20	Width of the retest tag band as a fraction of the shoulder-to-head span (range 0.05–0.60). How close price must come to the QM line to count as a valid tag.
StopBufferPercent	0.10	Extra stop-loss buffer beyond the head, as a fraction of the structure span (range 0.00–0.50). Larger values give the trade more breathing room at the cost of a wider stop.
RiskRewardRatio	2.0	Take-profit distance as a multiple of the stop distance (range 1.0–4.0). A value of 2.0 targets twice the risked amount.
ExpiryBars	20	Discard an armed setup if a valid retest has not arrived within this many bars (range 5–60).
Lots	0.10	Fixed trade volume in lots (range 0.01–1.0).
Magic	4077	Position magic / identity number. Lets the EA recognise and manage only its own trades on a chart.

Recommended Settings

Quasimodo Reversal reads swing structure directly, so it performs best on timeframes where swings are meaningful and noise is limited. As a structural reversal system, it should be deployed where clean alternating highs and lows form.

- **Symbols:** major FX pairs (e.g. EUR/USD, GBP/USD, USD/JPY) and liquid indices/metals with clear swing structure.
- **Timeframe:** H1 or H4 as the primary chart. Lower timeframes produce noisier pivots; consider raising `SwingLookback` if you trade them.
- **Defaults:** the shipped defaults (`SwingLookback 3` , `RetestTolerance 0.20` , `RiskRewardRatio 2.0`) are a balanced starting point.

Example configuration — EUR/USD H1

```
SwingLookback      = 3
RetestTolerance     = 0.20
StopBufferPercent  = 0.10
RiskRewardRatio    = 2.0
ExpiryBars         = 20
Lots               = 0.10
Magic              = 4077
```

Tuning tip: increase `SwingLookback` to filter for only the most significant structure (fewer but higher-quality setups), and widen `RetestTolerance` if valid setups are being missed because price reverses just short of the QM line. Always re-validate any change with a backtest before going live.

How to Install on MetaTrader 5

- 1 Copy `QuasimodoReversal.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

Before going live: always run the EA in the MT5 Strategy Tester and on a demo account first to confirm behaviour on your broker's data, spreads, and symbol specification.

Risk Warning

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