

Streak Exhaustion Fade

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Mean Reversion (Price Action)

TIMEFRAME

H1 (H4 also suitable)

WEBSITE

www.algotbot.live

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Overview

Streak Exhaustion Fade is a pure price-action, mean-reversion Expert Advisor that uses *no indicators whatsoever* — no moving averages, no oscillators, no volume. It works entirely from raw OHLC geometry: closes, highs, lows and bar ranges.

The core idea is statistical exhaustion. When a market prints a long run of consecutive same-direction closes, it becomes "stretched": each additional close in the same direction recruits the last marginal buyers or sellers. When that supply of fresh participants dries up, price tends to snap back toward the mean. The EA measures this stretch by simply **counting consecutive lower-closes** (a falling streak) or **consecutive higher-closes** (a rising streak).

Crucially, the strategy does not fade a streak blindly. It waits for the **first counter-close rejection bar** to confirm that momentum has actually turned before committing to a trade — then it fades the exhausted move with a structurally-placed stop and a configurable reward:risk target.

How It Works

The EA evaluates its logic **once per freshly closed bar**. The still-forming bar (shift 0) is ignored; the most recently closed bar (shift 1) is the candidate *rejection bar*, and the run of streak bars sits beneath it (shift 2

and older). Only one position per magic number is held at a time — the stop-loss and take-profit manage the exit.

Entry Logic

FALLING STREAK → FADE LONG (BUY)

The EA counts consecutive lower-closes ending just before the signal bar. A long is taken only when **all** of the following are true:

- The falling streak length is at least `StreakThreshold` bars;
- The signal bar is bullish (`Close > Open`) — it turned up;
- The signal bar closes above the last bar of the run (`Close > prior Close`);
- The signal bar parks near its high: $(\text{Close} - \text{Low}) \geq \text{ClosePushPct\%} \times \text{range}$ (rejection of the lows).

RISING STREAK → FADE SHORT (SELL)

Symmetrically, the EA counts consecutive higher-closes. A short is taken when:

- The rising streak length is at least `StreakThreshold` bars;
- The signal bar is bearish (`Close < Open`) — it turned down;
- The signal bar closes below the last bar of the run (`Close < prior Close`);
- The signal bar parks near its low: $(\text{High} - \text{Close}) \geq \text{ClosePushPct\%} \times \text{range}$ (rejection of the highs).

Why the rejection bar matters. A long run of lower-closes alone is not a signal — a trend can stay exhausted and keep falling. The single counter-close bar that closes back inside its range, beyond the previous bar, is the EA's evidence that fresh participants have run out and the move is reversing. Requiring the close to "park" near the extreme (`ClosePushPct`) filters out weak, indecisive bars.

Stop Loss & Take Profit

Stops are placed beyond the **structural extreme of the run** — the lowest low (for longs) or highest high (for shorts) scanned across the streak bars — buffered by a fraction of the **average streak-bar range**:

```
Long:  SL = extremeLow - (StopBufferPct / 100) * avgRange
      risk = entry - SL
      TP = entry + RewardRisk * risk

Short: SL = extremeHigh + (StopBufferPct / 100) * avgRange
      risk = SL - entry
      TP = entry - RewardRisk * risk
```

Entries use the live `Ask` (longs) or `Bid` (shorts). The take-profit distance is always a fixed multiple (`RewardRisk`) of the measured entry-to-stop risk, so every trade carries a consistent, pre-defined reward:risk

profile. If the computed risk is not positive, the trade is skipped.

Safeguards

- **New-bar gating:** logic runs only when a new bar opens, avoiding intrabar noise and duplicate entries.
- **History check:** at least `StreakThreshold + 3` bars must be available before any evaluation.
- **Scan cap:** streak counting is bounded to a maximum look-back of 60 bars (`MAX_STREAK_LOOK`) to keep bar reads predictable.
- **One position per magic:** a new signal is ignored while a position from this EA is open.

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.

Worked example (falling-streak fade)

Six consecutive lower-closes form an exhausted down-run (\geq `StreakThreshold`). The next bar turns bullish, closes above the prior bar, and parks near its high — satisfying `ClosePushPct` . The EA buys at the Ask. The stop sits just below the run's lowest low (buffered by 25% of the average run-bar range), and the take-profit is set 1.5× that risk above entry. Price reverts toward the mean and reaches the target.

Parameters

Parameter	Default	Description
StreakThreshold	4	Minimum number of consecutive same-direction closes that defines an "exhausted" run. Integer, range 3–10 (step 1). Higher values demand a longer, more stretched run before fading.
ClosePushPct	55.0	How far into its own range the rejection bar must close (0–100%) to prove the turn. Range 0.0–100.0 (step 5.0). Higher values require a stronger close near the bar's extreme.
StopBufferPct	25.0	Stop buffer beyond the run's structural extreme, as a percentage of the average streak-bar range. Range 0.0–150.0 (step 5.0). Larger buffers give the trade more room but increase risk per trade.
RewardRisk	1.5	Take-profit distance as a multiple of the (entry → stop) risk. Range 0.5–5.0 (step 0.25). Sets the fixed reward:risk profile of every trade.
Lots	0.10	Order volume (fixed lot size). Range 0.01–1.0 (step 0.05). Size according to your account balance and risk tolerance.
Magic	5207	Magic number used to identify and manage this EA's positions. Use a unique value per chart/strategy instance to avoid conflicts.

Recommended Settings

The defaults are a balanced starting point. Because the strategy is pure price action, it adapts across instruments without re-tuning indicators — but you should still validate on your symbol and broker before going live.

- **Timeframe:** H1 is the recommended baseline; H4 also works well for slower, higher-conviction signals. Avoid very low timeframes where streaks are dominated by noise and spread.
- **Symbols:** liquid FX majors and major indices, where mean-reversion after extended runs is more reliable. Wide-spread or thin instruments degrade the edge.
- **StreakThreshold:** 4–5 for active conditions; raise to 6+ for fewer, more selective trades.
- **RewardRisk:** 1.5 by default. Mean-reversion typically favours moderate targets — pushing far above 2.5 lowers hit rate.
- **Risk:** keep `Lots` conservative. With a structural stop, risk per trade varies with the run's size and range.

Tip. Run the MT5 Strategy Tester across several years and multiple symbols before deploying. Pay attention to how `StreakThreshold` and `ClosePushPct` trade off frequency against quality — looser values trade more often but include weaker setups.

How to Install on MetaTrader 5

- 1 Copy `StreakExhaustionFade.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

Note. To inspect or recompile the source, place `StreakExhaustionFade.mq5` in the same `MQL5\Experts\` folder and compile it in MetaEditor (F7) to produce the `.ex5`.

Risk Warning

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