

Thrust Retrace Ignition

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Momentum Continuation

TIMEFRAME

M5 · XAUUSD

WEBSITE

www.algotbot.live

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Overview

Thrust Retrace Ignition is a pure price-action, momentum-continuation scalper designed for the M5 timeframe on XAUUSD (Gold). It uses *no indicators whatsoever* — every decision is derived solely from raw candle geometry (open, high, low, close).

The strategy is built on a simple, intuitive market behaviour: a sharp burst of momentum (a "thrust") is often followed by a brief, shallow pause before price continues in the same direction. The EA hunts for that displacement, waits patiently through the pullback, and only commits capital when momentum re-ignites by reclaiming the thrust's extreme. The logic is fully **symmetric** — it trades long off bullish thrusts and short off bearish thrusts using identical rules.

Because stops and targets are anchored to the structure of the setup itself (the pullback extreme and the thrust range), each trade carries a self-defined, price-action-based risk profile rather than a fixed point value.

At a glance: No indicators, no moving averages, no ATR. The EA reasons entirely from candle bodies and ranges, acts **once per closed bar**, and holds **at most one position at a time** — letting the stop-loss and take-profit manage the trade once it is open.

How It Works

The EA runs a three-phase state machine. Every evaluation happens on the bar that has just *closed* (shift 1); the forming bar is used only to detect that a new bar has begun, so the strategy never acts on incomplete candles.

Phase 1 — Thrust (the power candle)

On each newly closed bar the EA measures the average bar range over the previous `LookbackBars` candles. The closed bar qualifies as a **thrust** when both conditions hold:

- **Displacement:** its body is at least `BodyFactor` × the average range — the move dwarfs recent volatility.
- **Dominance:** its body fills at least `BodyDominance` of its own high-to-low range — a near-marubozu candle with little wick.

When both are true, the EA arms a setup: it records the thrust direction, the thrust's range (its "momentum yardstick"), the breakout level (the thrust's high for a bullish thrust, its low for a bearish one), and opens a window of `PullbackBars` bars in which ignition may occur.

Phase 2 — Retrace (the shallow pullback)

While armed, the EA tracks the running pullback extreme (the lowest low for a long bias, the highest high for a short bias). The pullback must stay *shallow*: if its depth ever exceeds `RetraceMax` × the thrust range, the momentum is considered absorbed and the setup is voided. A deep retrace means the move has been reabsorbed — no trade.

Phase 3 — Ignition (the entry trigger)

Within the pullback window, the EA waits for a bar to **close back through the breakout level** in the thrust direction *and* close with momentum — that is, the close lands in the leading 60% of the bar's own range. When that happens, the EA fires an entry in the thrust direction:

- **Bullish thrust** → **Buy** when a bar closes above the thrust high with a strong upper close.
- **Bearish thrust** → **Sell** when a bar closes below the thrust low with a strong lower close.

If the window of `PullbackBars` bars elapses without ignition, the setup is discarded and the EA resumes hunting for a fresh thrust.

Stop Loss & Take Profit

Risk is defined entirely by price action at the moment of entry:

- **Stop Loss** is placed just beyond the pullback extreme, padded by `BufferFactor` × the thrust range (below the pullback low for longs, above the pullback high for shorts).
- **Take Profit** is set at `RewardRisk` × the stop distance, measured from the entry price.

```
risk = | entry - stopLoss |  
takeProfit = entry ± RewardRisk × risk    (+ for long, - for short)  
stopLoss   = pullbackExtreme &minus;/+ BufferFactor × thrustRange
```

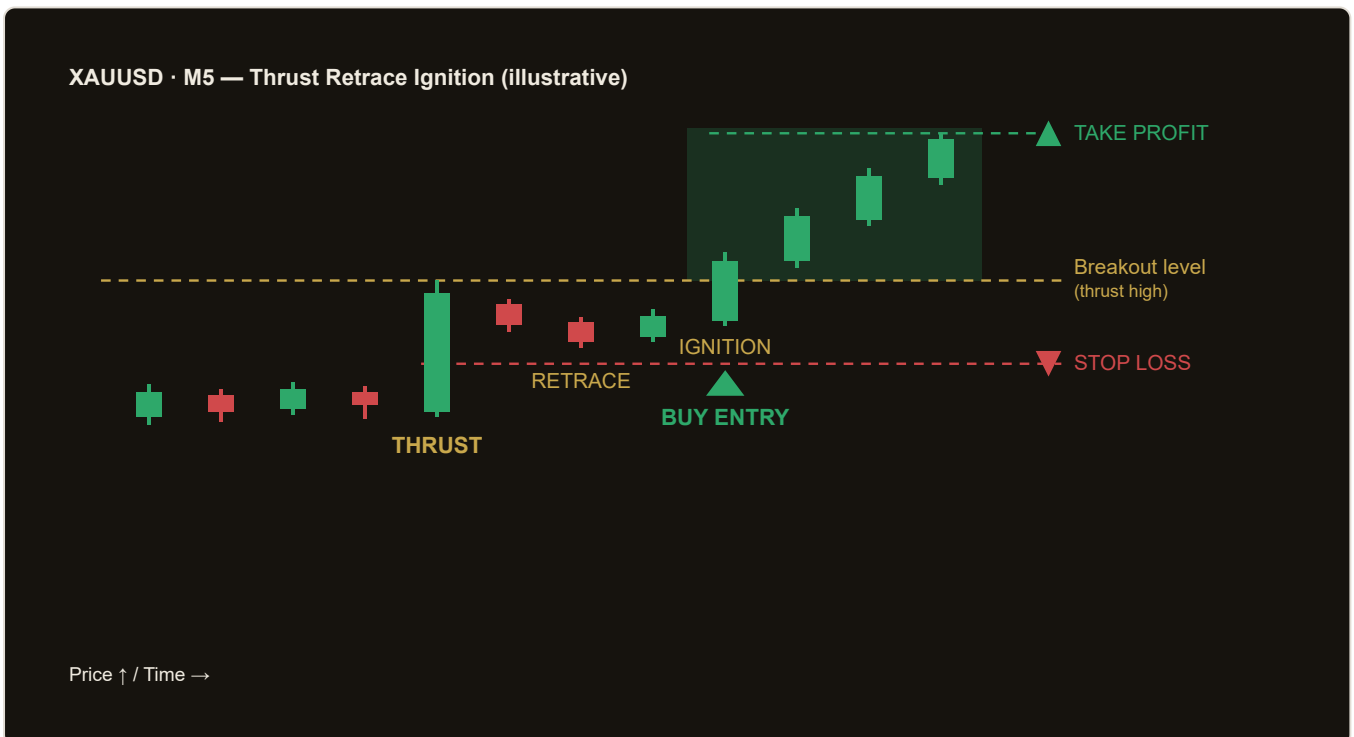
If the computed risk is non-positive (entry already at or beyond the stop), the trade is skipped.

Trade Filters & Management

- **Spread guard:** entries are skipped when the current spread exceeds `MaxSpread` points — important on a fast, spread-sensitive instrument like Gold.
- **One position at a time:** while a tagged position (matching the EA's `Magic` number) is open, the EA disarms and lets the SL/TP do the work — no stacking, no averaging.
- **Bar-close only:** all logic runs once per completed bar, eliminating intrabar noise and repainting.

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 (bullish)

A large green thrust candle (1) prints with a body well above the recent average range and little wick. Over the next few bars price drifts back gently (2) but never gives back more than **RetraceMax** of the thrust range. A later bar then closes above the thrust high with a strong upper close (3) — ignition. The EA buys at the ask, sets the stop just below the pullback low, and targets **RewardRisk** × that distance. A short setup mirrors this exactly off a bearish thrust.

Parameters

Parameter	Default	Description
Lots	0.10	Fixed trade volume (lots) per position. Range 0.01–1.00, step 0.01.
LookbackBars	14	Number of completed bars used to compute the average bar range (the momentum yardstick). Range 5–40.
BodyFactor	1.6	A bar qualifies as a thrust only if its body is at least this multiple of the average range. Range 0.8–3.0.
BodyDominance	0.62	Minimum body-to-range ratio for a thrust — filters out wicky bars (near-marubozu requirement). Range 0.40–0.90.
PullbackBars	4	Number of bars after the thrust during which a valid ignition may occur. Range 1–10.
RetraceMax	0.60	Maximum allowed pullback depth as a fraction of the thrust range; a deeper pullback voids the setup. Range 0.20–0.95.
RewardRisk	1.5	Take-profit distance as a multiple of the stop (risk) distance. Range 0.5–4.0.
BufferFactor	0.12	Extra stop padding beyond the pullback extreme, as a fraction of the thrust range. Range 0.00–0.50.
MaxSpread	200	Maximum allowed spread (points) at entry; a wider spread skips the trade. Range 10–800.
Magic	73021	Unique magic number tagging this EA's orders so it manages only its own positions.

Recommended Settings

The strategy was designed and tuned for the following environment:

- **Symbol:** XAUUSD (Gold)
- **Timeframe:** M5
- **Account:** a low-spread, fast-execution account — Gold spreads can spike, and the `MaxSpread` filter will skip trades when they do.
- **Defaults:** the shipped defaults are a balanced starting point. Begin there before optimising.

Tuning tips: Raise `BodyFactor` and `BodyDominance` for fewer, higher-conviction thrusts; lower them for more frequent signals. Tighten `RetraceMax` to demand shallower pullbacks (cleaner continuation), and adjust `RewardRisk` to balance win rate against payoff. Always re-validate any change with a fresh backtest and forward test.

Always test first. Run the EA on a demo account and over historical data before committing real capital. Gold is volatile; position sizing via `Lots` should reflect your account size and risk tolerance.

How to Install on MetaTrader 5

- 1 Copy `ThrustRetraceIgnition.ex5` to your MT5 `MQL5\Experts\` folder
- 2 Restart MetaTrader 5 and refresh the Navigator panel
- 3 Drag the EA onto an **XAUUSD M5** chart (the recommended symbol and timeframe)
- 4 Configure the input parameters and click **OK**
- 5 Enable **Algo Trading** in the MT5 toolbar

Risk Warning

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