

Tweezer Extreme Reversal

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Price-Action Reversal	H1 / H4	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

Tweezer Extreme Reversal is a pure price-action, exhaustion-reversal Expert Advisor. It uses no indicators whatsoever — every decision is derived directly from raw bar prices (opens, highs, lows, and closes).

The EA hunts for a *tweezer* pattern: two consecutive closed bars whose extremes print at virtually the same level. For a **tweezer bottom** this means two near-equal lows; for a **tweezer top**, two near-equal highs. Crucially, that shared extreme must also be a **fresh swing extreme** of the recent window — a genuine turning point rather than mid-range noise. The pattern reflects a market that twice probed the same level and was twice rejected: a hallmark of exhaustion.

The second bar of the pair must then **confirm** the reversal by closing back through the first bar in the opposite direction and finishing in the rejection half of its own range. Stops are placed structurally, just beyond the shared extreme, and the take-profit is a configurable multiple of that measured risk. The result is a self-contained, fully mechanical reversal system with risk that is defined by market structure rather than by a fixed pip distance.

Note: The EA evaluates the chart only once per freshly closed bar and holds at most one open position per magic number at a time. It does not act on the live, still-forming bar, which keeps signals stable and free of intrabar repainting.

How It Works

The Tweezer Pattern

On each newly closed bar the EA examines the two most recently completed bars:

- **Bar 2** — the older bar, which forms the first half of the pair and establishes the candidate swing extreme.
- **Bar 1** — the newer bar, which must confirm the rejection and trigger the trade.

Before testing the pattern, the EA measures the **average bar range** over the last `RangePeriod` bars (high minus low). This average is used to size two tolerances dynamically, so the strategy adapts to the volatility of whatever instrument and timeframe it runs on:

```
avgRange = average(High - Low) over RangePeriod bars
tol      = (EqualTolerancePct / 100) × avgRange // "equal" tolerance
buffer   = (StopBufferPct / 100) × avgRange // stop padding
```

Long Entry — Tweezer Bottom

A long position is opened when *all* of the following are true:

- **Fresh swing low:** Bar 2's low is the lowest low across the lookback window (bars 3 through `LookbackBars + 1`).
- **Near-equal lows:** the absolute difference between Bar 1's low and Bar 2's low is within `tol`.
- **Bullish confirmation:** Bar 1 closes above its open (bullish body).
- **Closes back through:** Bar 1's close is above Bar 2's close.
- **Rejection close:** Bar 1 closes in the upper half of its own range (above its midpoint).

When all conditions hold, the EA buys at the current **Ask** price.

Short Entry — Tweezer Top

A short position mirrors the long logic exactly:

- **Fresh swing high:** Bar 2's high is the highest high across the lookback window.
- **Near-equal highs:** the difference between Bar 1's high and Bar 2's high is within `tol`.
- **Bearish confirmation:** Bar 1 closes below its open (bearish body).
- **Closes back through:** Bar 1's close is below Bar 2's close.
- **Rejection close:** Bar 1 closes in the lower half of its own range (below its midpoint).

When all conditions hold, the EA sells at the current **Bid** price.

Stop Loss & Take Profit

Risk is defined by structure, not by a fixed pip count:

- **Stop loss (long):** placed at the lower of the two tweezer lows, minus the volatility buffer — $\min(\text{Bar1.Low}, \text{Bar2.Low}) - \text{buffer}$.
- **Stop loss (short):** placed at the higher of the two tweezer highs, plus the buffer — $\max(\text{Bar1.High}, \text{Bar2.High}) + \text{buffer}$.
- **Risk:** the distance from entry price to the stop.
- **Take profit:** $\text{RewardRisk} \times \text{risk}$ away from entry, in the direction of the trade.

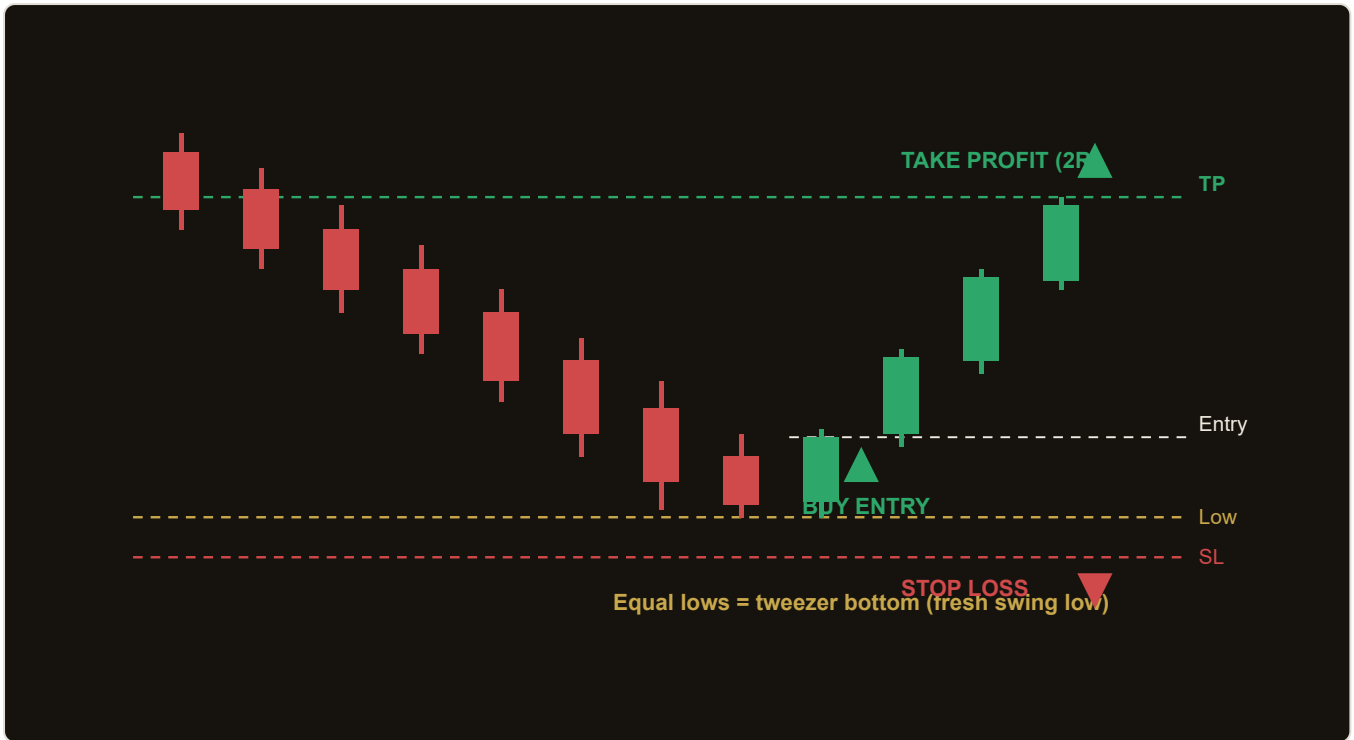
The trade is then left to manage itself: there is no trailing stop and no early exit logic — the position closes when either the stop loss or take profit is reached. A new signal is only ever considered once the current position has closed.

Worked example — tweezer bottom (long)

Suppose the average bar range is 40 pips, with $\text{EqualTolerancePct} = 15$, $\text{StopBufferPct} = 20$, and $\text{RewardRisk} = 2.0$. The equal-tolerance is 6 pips and the buffer is 8 pips. Two bars print lows of 1.1000 and 1.1004 (4 pips apart — within tolerance) at a fresh 20-bar swing low, and the second bar closes bullishly back above the first. The EA buys at the Ask, say 1.1015. The stop is placed at $1.1000 - 8 \text{ pips} = 1.0992$ (risk ≈ 23 pips), and the take profit sits 46 pips above entry at 1.1061.

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. It depicts a **tweezer bottom**: two bars printing near-equal lows at a fresh swing low, followed by a bullish confirmation and a structural stop just beneath the shared low.



Illustrative example only. Actual market behaviour varies.

Parameters

Parameter	Default	Description
LookbackBars	20	The swing window. Bar 2's extreme must be the lowest low (or highest high) across this many recent bars to qualify as a fresh swing extreme. Range 5–60.
EqualTolerancePct	15.0	How close the two extremes must be to count as "equal," expressed as a percentage of the average bar range. Lower values demand a tighter tweezer. Range 2.0–50.0.
RewardRisk	2.0	Take-profit distance as a multiple of the measured stop distance (risk). 2.0 targets twice the risk. Range 0.5–5.0.
StopBufferPct	20.0	Extra padding placed beyond the shared extreme for the stop loss, as a percentage of the average bar range. Range 0.0–100.0.
RangePeriod	14	Number of bars averaged to measure the typical bar range, used to size both the equal-tolerance and the stop buffer. Range 5–30.
Lots	0.10	Fixed order volume in lots for each trade. Range 0.01–1.0.
Magic	4242	Unique magic number tagging this EA's orders, so it manages only its own positions and ignores trades from other EAs or manual entries.

Recommended Settings

Because every tolerance is scaled by the instrument's own average bar range, the defaults are designed to be a sensible starting point across a range of symbols and timeframes. The following guidance helps you tailor the EA to your market.

TIMEFRAME & INSTRUMENTS

- **Timeframe:** H1 and H4 tend to produce the cleanest tweezer structures; lower timeframes generate more signals but with more noise.
- **Instruments:** liquid markets with clear swing structure — major FX pairs (EUR/USD, GBP/USD, USD/JPY), gold, and major indices.

TUNING THE PATTERN

- **Stricter signals:** lower `EqualTolerancePct` (e.g. 8–10) so only very tightly-matched extremes qualify, and raise `LookbackBars` (e.g. 30) to require a more significant swing.
- **More signals:** raise `EqualTolerancePct` (e.g. 25) and lower `LookbackBars` — at the cost of more false setups.
- **Stop placement:** increase `StopBufferPct` on volatile instruments to avoid being stopped out by ordinary wicks; reduce it for tighter risk.
- **Reward target:** a `RewardRisk` of 1.5–2.0 balances hit-rate against payout; higher multiples win less often but pay more per win.

Tip: Always backtest your chosen settings on the specific symbol and timeframe you intend to trade before risking real capital, and forward-test on a demo account first. Position size (`Lots`) should reflect your account size and personal risk tolerance.

How to Install on MetaTrader 5

- 1 Copy `TweezerExtremeReversal.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

Risk Warning

Trading foreign exchange, CFDs, and other leveraged financial instruments involves substantial risk of loss and is not suitable for all investors. The strategies and tools described in this document are provided for **educational purposes only** and do not constitute financial advice, investment recommendations, or solicitation to trade. Always consult a qualified financial adviser before making trading decisions. Past backtest performance is not indicative of future results.