

Vacuum Gap Continuation

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Price-Action Continuation (FVG)

TIMEFRAME

M15 – H1 (single TF)

WEBSITE

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

Vacuum Gap Continuation is a pure price-action Expert Advisor built entirely around the **Fair Value Gap (FVG)** — it uses no indicators of any kind. The core idea is simple: when a single, unusually large "displacement" candle rips price in one direction, it leaves behind a three-bar imbalance — a price "vacuum" the market did not trade through cleanly. Price tends to be drawn back into that unfilled void before continuing in the direction of the original move.

Rather than chasing the displacement, the EA does the patient thing: it parks a single resting **limit order** inside the gap and waits for price to pull back into the void to fill it, then rides the continuation. Only one setup is worked at a time, and the resting order is cancelled automatically if it is not filled in time or if the gap is invalidated by a close through its far edge.

In one sentence: spot an outsized displacement candle that leaves a fair-value gap, sit a limit order inside the gap, and let the natural pullback fill you for a high reward-to-risk continuation trade.

How It Works

Detecting the Fair Value Gap

On each newly completed bar the EA examines the three most recent closed bars, labelled **A** (oldest), **B** (middle / displacement) and **C** (newest). A valid gap exists when the body of B has displaced price so quickly that the wicks of A and C do not overlap:

```
Bullish FVG : A.High < C.Low  ->  empty zone [ A.High .. C.Low ]
Bearish FVG : A.Low  > C.High ->  empty zone [ C.High .. A.Low ]
```

The middle bar B is the displacement candle and must be genuinely outsized. The EA measures the **average candle range** over the preceding `RangeLookback` bars (a pure price-action measure computed inline — not a named indicator) and requires:

```
B.range >= DisplacementMult * averageRange
```

The driver bar's direction must also agree with the gap: a bullish gap requires B to close above its open, a bearish gap requires B to close below its open. Finally, the gap itself must be meaningfully wide — at least `MinGapFraction` of the average range — to reject trivially small voids.

Entry

The EA never enters at market. Instead it places one resting limit order inside the gap:

- **Bullish setup:** a `BuyLimit` at `gapTop - FillDepth * gapSize`
- **Bearish setup:** a `SellLimit` at `gapBottom + FillDepth * gapSize`

With the default `FillDepth` of 0.50 the order rests at the exact midpoint of the gap. A value of 0 places it near the gap edge (a shallow, more likely fill); a value of 1 parks it at the far edge (a deeper pullback required, but a better price).

Stop Loss & Take Profit

The stop is placed just beyond the gap's *far (distal) edge*, buffered by a fraction of the gap size, so that a clean break back through the void invalidates the trade:

```
Bullish : SL = gapBottom - StopBufferFrac * gapSize
Bearish : SL = gapTop    + StopBufferFrac * gapSize
risk    = | entryPrice - SL |
TP      = entryPrice ± RewardRisk * risk
```

The take-profit is a fixed multiple (`RewardRisk` , default 2.0) of the measured risk, giving a structurally positive reward-to-risk profile on every trade.

Trade Hygiene

- **One setup at a time** — while a position is live or an order is resting, no new gaps are hunted.
- **Expiry** — if the limit is not filled within `ExpiryBars` bars, it is cancelled and the EA resumes hunting.
- **Invalidation** — if a bar *closes* beyond the gap's far edge before the fill (bullish: close below `gapBottom` ; bearish: close above `gapTop`), the resting order is cancelled because the vacuum is considered broken.
- **Stray cleanup** — any untracked pending order on the symbol/magic is removed to keep state clean.

Why limit orders? By waiting for the pullback into the gap instead of chasing the displacement, entries occur at a far better price and the stop can sit just outside a structurally meaningful level — producing the high reward-to-risk geometry this strategy is built on.

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 **bullish** setup: a large displacement candle leaves a fair-value gap, price pulls back into the void to fill the resting buy-limit, and the continuation carries to target.



Illustrative example only. Actual market behaviour varies.

Parameters

Parameter	Default	Description
Lots	0.10	Order volume in lots placed for each setup. Range 0.01–1.00, step 0.01.
DisplacementMult	1.6	Minimum size of the middle (displacement) candle as a multiple of the recent average candle range. Higher values require larger, more violent moves. Range 1.0–3.0, step 0.10.
MinGapFraction	0.25	Minimum gap (FVG) width as a fraction of the average candle range. Filters out trivially small voids. Range 0.05–1.00, step 0.05.
FillDepth	0.50	How deep into the gap the resting limit is parked: 0 = near edge (shallow, likelier fill), 1 = far edge (deeper pullback, better price). 0.50 = gap midpoint. Range 0.00–1.00, step 0.05.
StopBufferFrac	0.50	Extra stop-loss buffer placed beyond the gap's far edge, as a fraction of the gap size. Range 0.00–2.00, step 0.10.
RewardRisk	2.00	Take-profit distance as a multiple of the measured risk (stop distance). Range 1.00–5.00, step 0.25.
ExpiryBars	6	Cancel the resting limit order if it is not filled within this many bars. Range 1–30, step 1.
RangeLookback	20	Number of prior bars used to compute the average candle range. Range 5–60, step 1.
Magic	1001	Magic number identifying this EA's orders and positions, keeping them isolated from other EAs on the account.

Recommended Settings

Vacuum Gap Continuation operates on a **single timeframe** and works best where displacement candles and clean fair-value gaps occur regularly. Intraday charts on liquid instruments are the natural home for this approach.

- **Timeframe:** M15 to H1. Lower timeframes generate more setups but smaller, noisier gaps; higher timeframes produce fewer, cleaner ones.
- **Instruments:** major FX pairs and liquid indices that produce sharp, impulsive moves rather than slow drifts.
- **Displacement sensitivity:** keep `DisplacementMult` at 1.6 as a balanced default. Raise it (2.0–2.5) on volatile instruments to demand only the most decisive moves; lower it slightly on quieter pairs.

- **Reward-to-risk:** the default `RewardRisk` of 2.0 targets twice the risk per trade. Higher multiples improve payoff per win but reduce hit rate.

Example configuration — EURUSD M15

Lots 0.10 · DisplacementMult 1.6 · MinGapFraction 0.25 · FillDepth 0.50 · StopBufferFrac 0.50 · RewardRisk 2.00 · ExpiryBars 6 · RangeLookback 20. This rests the limit at the gap midpoint, stops half a gap beyond the far edge, and targets a 2R continuation, cancelling unfilled setups after 6 bars.

Tuning tip: if too few trades are taken, lower `DisplacementMult` and/or `MinGapFraction` so more gaps qualify, or raise `ExpiryBars` to give the pullback more time. If fills happen but trades stop out often, increase `StopBufferFrac` so the stop sits further from the gap edge.

How to Install on MetaTrader 5

- 1 Copy `VacuumGapContinuation.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: this EA acts once per completed bar and needs at least `RangeLookback + 3` closed bars of history before it begins hunting for gaps. Allow the chart to build sufficient history after attaching the EA.

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.

