

# Vwap Reclaim Momentum

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Momentum / Trend Continuation

## TIMEFRAME

H1 (M15–H1)

## WEBSITE

[www.algotbot.live](http://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

**Vwap Reclaim Momentum** is a momentum and trend-continuation Expert Advisor that pairs a rolling **Volume-Weighted Average Price (VWAP)** with the **Relative Strength Index (RSI)**. VWAP represents the market's running "fair value" — the average price weighted by traded volume over a defined lookback window.

Where many systems *fade* VWAP (betting price returns to it), this strategy trades *with* the break. When price has spent time on one side of VWAP and then **closes back through it** — a "reclaim" of value — and RSI confirms that momentum has flipped to the same side of its midline, the EA joins the move, expecting continuation *away* from fair value rather than a return to it.

Every trade is risk-framed at entry with an **ATR-based stop loss** and a proportional **R-multiple ATR take profit**, so position risk scales automatically with current market volatility. The EA holds at most one position per magic number at a time — this is a clean, single-shot momentum entry, not a grid or martingale system.

**Core idea in one line:** Trade the moment value flips — a confirmed close back through VWAP, with RSI momentum agreeing, signals a continuation move worth joining.

## How It Works

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The EA evaluates its logic **once per completed bar** on the chart's primary timeframe. On each new bar it recomputes VWAP for the current and previous windows, reads RSI and ATR, and checks whether a reclaim with confirming momentum has just occurred.

### Indicators Used

- **Rolling VWAP** — volume-weighted average of typical price  $(High + High + Low + Close) / 3$  over the last `VwapPeriod` bars, weighted by tick volume. If volume is missing it falls back to an equal-weighted average. Two values are read each bar: the window ending at the current bar (`vwapNow`) and the window ending at the previous bar (`vwapPrev`).
- **RSI** — computed over `RsiPeriod` bars to confirm momentum direction relative to the `RsiMidline`, while filtering out already-stretched (overbought / oversold) conditions via `RsiExtreme`.
- **ATR** — Average True Range over `AtrPeriod` bars, used purely to size the stop loss and take profit to current volatility.

### Entry Logic

**Long (Buy)** — a bullish reclaim of value confirmed by momentum:

- **Reclaim:** the previous close was at or below the previous VWAP (`prevClose ≤ vwapPrev`) and the current close is above the current VWAP (`curClose > vwapNow`) — price has crossed up through fair value.
- **Momentum:** RSI is above the midline but not yet stretched (`RsiMidline < RSI < RsiExtreme`).

**Short (Sell)** — the mirror image, a bearish loss of value confirmed by momentum:

- **Reclaim:** the previous close was at or above the previous VWAP (`prevClose ≥ vwapPrev`) and the current close is below the current VWAP (`curClose < vwapNow`) — price has crossed down through fair value.
- **Momentum:** RSI is below the midline but not yet stretched (`lowerExtreme < RSI < RsiMidline`, where `lowerExtreme = 100 - RsiExtreme`).

#### Worked example (long)

With `RsiExtreme = 72`, the oversold mirror is  $100 - 72 = 28$ . Suppose the prior bar closed just under a VWAP of 1.10250 and the new bar closes at 1.10380 — above the fresh VWAP of 1.10270. RSI reads 58 (above the 50 midline, below the 72 guard). Both the reclaim and momentum conditions are met, so a long is opened at the Ask.

### Exit Logic — Stop Loss & Take Profit

Exits are set as fixed SL/TP levels at entry, sized from ATR. No trailing or breakeven logic is applied — the trade runs to one of the two levels.

Long:  $SL = \text{entry} - \text{AtrStopMult} \times \text{ATR}$   
 $TP = \text{entry} + \text{AtrStopMult} \times \text{RewardMult} \times \text{ATR}$

Short:  $SL = \text{entry} + \text{AtrStopMult} \times \text{ATR}$   
 $TP = \text{entry} - \text{AtrStopMult} \times \text{RewardMult} \times \text{ATR}$

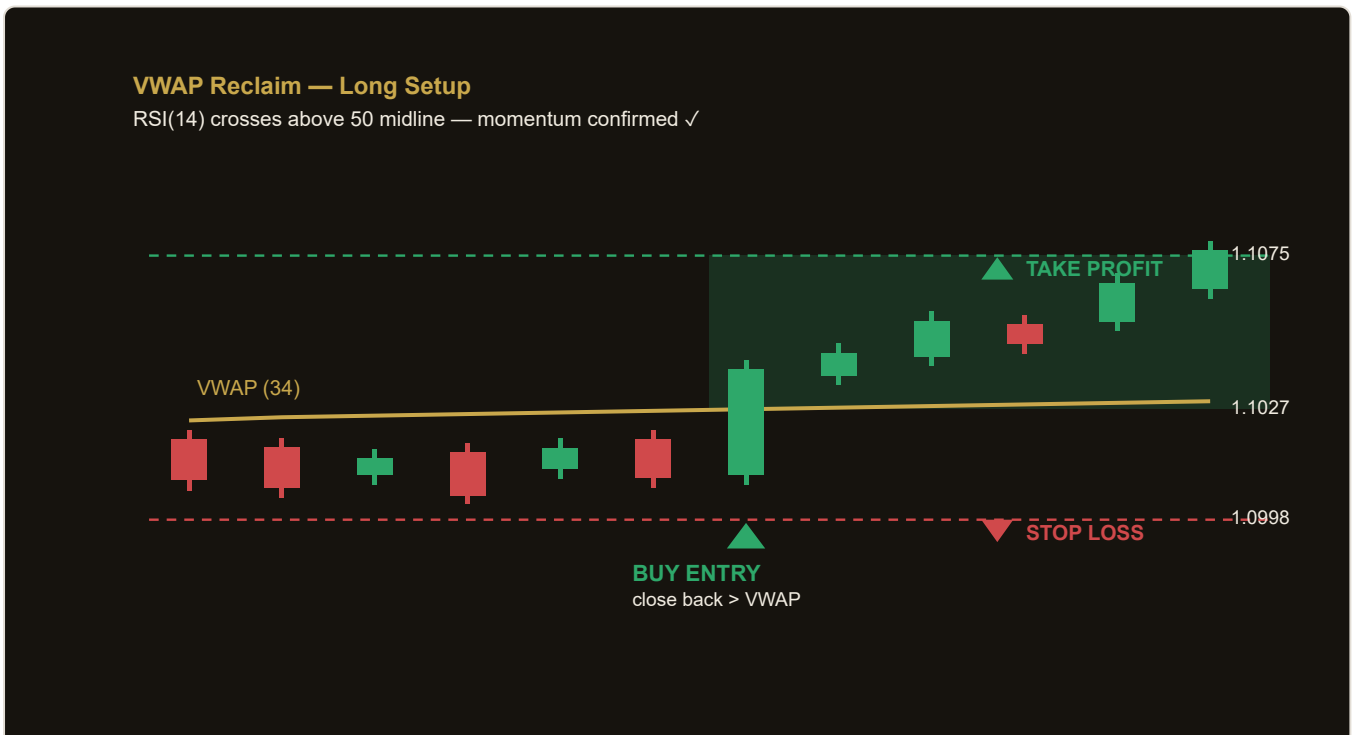
With the defaults ( `AtrStopMult = 1.6` , `RewardMult = 1.8` ), the take profit sits at **1.8× the stop distance**, giving a baseline reward-to-risk ratio of roughly 1.8 : 1.

## Trade Management Rules

- **One bar, one decision:** logic runs only when a new bar completes on the primary timeframe.
- **One position per magic:** if a position with this magic number is already open, no new order is sent.
- **History guard:** the EA waits until enough bars exist for the VWAP window (plus its previous-bar reference), the RSI lookback, and the ATR lookback before trading.
- **Volatility-adaptive risk:** because SL/TP derive from ATR, stops widen in volatile conditions and tighten in calm ones automatically.

## 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.*

## Parameters

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Parameter	Default	Description
VwapPeriod	34	Rolling VWAP window length, in bars (range 10–120, step 2). Larger values smooth the fair-value line and reduce signal frequency.
RsiPeriod	14	RSI lookback length, in bars (range 5–30, step 1). Shorter values make momentum confirmation more responsive but noisier.
RsiMidline	50.0	RSI level separating bullish from bearish momentum (range 45–55, step 1). Longs require RSI above it; shorts require RSI below it.
RsiExtreme	72.0	Overbought guard for longs (range 60–85, step 1). The oversold guard for shorts mirrors this as $100 - \text{RsiExtreme}$ . Blocks entries into already-stretched moves.
AtrPeriod	14	Average True Range lookback, in bars (range 5–30, step 1), used to size the stop loss and take profit.
AtrStopMult	1.6	Stop-loss distance as a multiple of ATR (range 0.5–4.0, step 0.1). Higher values give wider, more forgiving stops.
RewardMult	1.8	Reward-to-risk multiple (range 0.8–4.0, step 0.1). Take profit is placed at $\text{AtrStopMult} \times \text{RewardMult} \times \text{ATR}$ from entry.
Lots	0.10	Fixed trade volume in lots (range 0.01–1.0, step 0.01).
Magic	5101	Magic number identifying this EA's positions; used to enforce the one-position-at-a-time rule.

## Recommended Settings

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The strategy is designed for liquid instruments where tick volume is a meaningful weight for VWAP. Use it on a single chart at a time per magic number.

- **Instruments:** major FX pairs (e.g. EURUSD, GBPUSD) and liquid indices or metals with reliable volume.
- **Timeframe:** H1 is the recommended baseline; M15–H1 suits more active intraday continuation trading.
- **Defaults:** the shipped defaults (VWAP 34, RSI 14, ATR 14, stop 1.6×, reward 1.8×) are a balanced starting point.
- **Position sizing:** keep `Lots` conservative relative to account equity; the EA uses a fixed lot size and does not auto-scale risk to balance.

**Tuning tip:** If signals feel too frequent or whippy, raise `VwapPeriod` for a steadier fair-value line and/or lower `RsiExtreme` to filter out more stretched entries. To widen the profit target relative to the stop, increase `RewardMult`.

**Always validate first.** Backtest on quality historical data and forward-test on a demo account before risking live capital. Optimal parameters differ by instrument, timeframe, and broker spread/commission.

## How to Install on MetaTrader 5

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- 1 Copy `VwapReclaimMomentum.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 rebuild from source, open `VwapReclaimMomentum.mq5` in MetaEditor and compile (F7) to produce the `VwapReclaimMomentum.ex5` file. Ensure `Trade\Trade.mqh` is available in your MQL5 includes.

## Risk Warning

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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.