

Camarilla Breakout Continuation

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Breakout / Trend Continuation	M15 / M30 / H1 (Intraday)	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

Camarilla Breakout Continuation is a Camarilla-pivot “trend-day” breakout Expert Advisor for MetaTrader 5. Camarilla pivots are a ladder of price levels built once per day from the *previous* day’s High, Low and Close. Two of those levels — the wide **H4** and **L4** rails — define the edges of a normal rotational day.

The classic Camarilla reading is that while price stays inside the inner **H3...L3** band the session is rotational and traders *fade* the edges. But when price forces a bar to **close beyond the wider H4 (or L4) rail**, that rotation has failed: order flow has turned one-directional and a “trend day” is underway. This strategy deliberately takes the *other* side of the fade crowd — it buys the H4 break and sells the L4 break, riding the continuation.

Risk is entirely **ATR-based**, so the EA adapts to any symbol or volatility regime without hand-tuned point sizes: the stop is a multiple of ATR away from the fill and the target is a fixed reward-to-risk multiple of that stop. A per-day trade cap prevents the EA from re-firing on the same exhausted break, and a spread filter blocks costly fills.

Key design choice. The previous day’s High/Low/Close are accumulated from the *primary* timeframe itself by watching UTC calendar-day boundaries. The engine is never asked for a second or higher timeframe, so the EA runs correctly on whatever intraday chart it is attached to — M15, M30 and H1 are the natural homes for Camarilla day-trading.

How It Works

Camarilla level construction

At each new UTC calendar day, the just-completed day's High (**H**), Low (**L**) and Close (**C**) are finalized and the level ladder is rebuilt. These levels then stay fixed for the entire trading day:

$$\begin{aligned} R &= H - L && \text{(prior day's range)} \\ H4 &= C + R * 1.1 / 2 && L4 = C - R * 1.1 / 2 \quad \text{(breakout / trend-day rail)} \\ H3 &= C + R * 1.1 / 4 && L3 = C - R * 1.1 / 4 \quad \text{(reversal / fade band)} \\ P &= (H + L + C) / 3 && \text{(central pivot, context only)} \end{aligned}$$

Levels are only produced when the prior day's range $R > 0$. Until the first full day has closed the EA holds no levels and takes no trades.

Entry logic

The EA evaluates once per newly-closed primary bar. On each close it compares the *previous* closed bar's close with the newest closed bar's close to detect a genuine, fresh cross of a rail (rather than price that was already beyond it):

- **Long (H4 break):** the prior closed bar was at or below **H4**, and the newest closed bar closes **above H4 plus the ATR breakout buffer**. Interpreted as a trend-day up → buy the continuation.
- **Short (L4 break):** the prior closed bar was at or above **L4**, and the newest closed bar closes **below L4 minus the buffer**. Interpreted as a trend-day down → sell the continuation.

The breakout buffer ($\text{BreakoutBufferAtr} \times \text{ATR}$) forces the close to clear the rail by a meaningful, volatility-scaled distance, filtering out marginal pokes across the level.

FILTERS THAT MUST PASS BEFORE AN ENTRY

- Valid Camarilla levels exist for the current day.
- Enough closed bars have accumulated to compute the ATR ($\text{bars} > \text{AtrPeriod}$).
- The daily trade budget is not yet spent ($\text{tradesToday} < \text{MaxTradesPerDay}$).
- No position is already open for this EA's magic number (one position at a time).
- The current spread does not exceed **MaxSpreadPoints**.
- ATR and the resulting risk distance are both positive.

Exit logic — stop loss & take profit

Every position is submitted with a hard stop and target derived from ATR at the moment of entry:

```

risk = AtrStopMult * ATR
SL   = entry +/- risk      (below a long, above a short)
TP   = entry +/- TpRewardRatio * risk

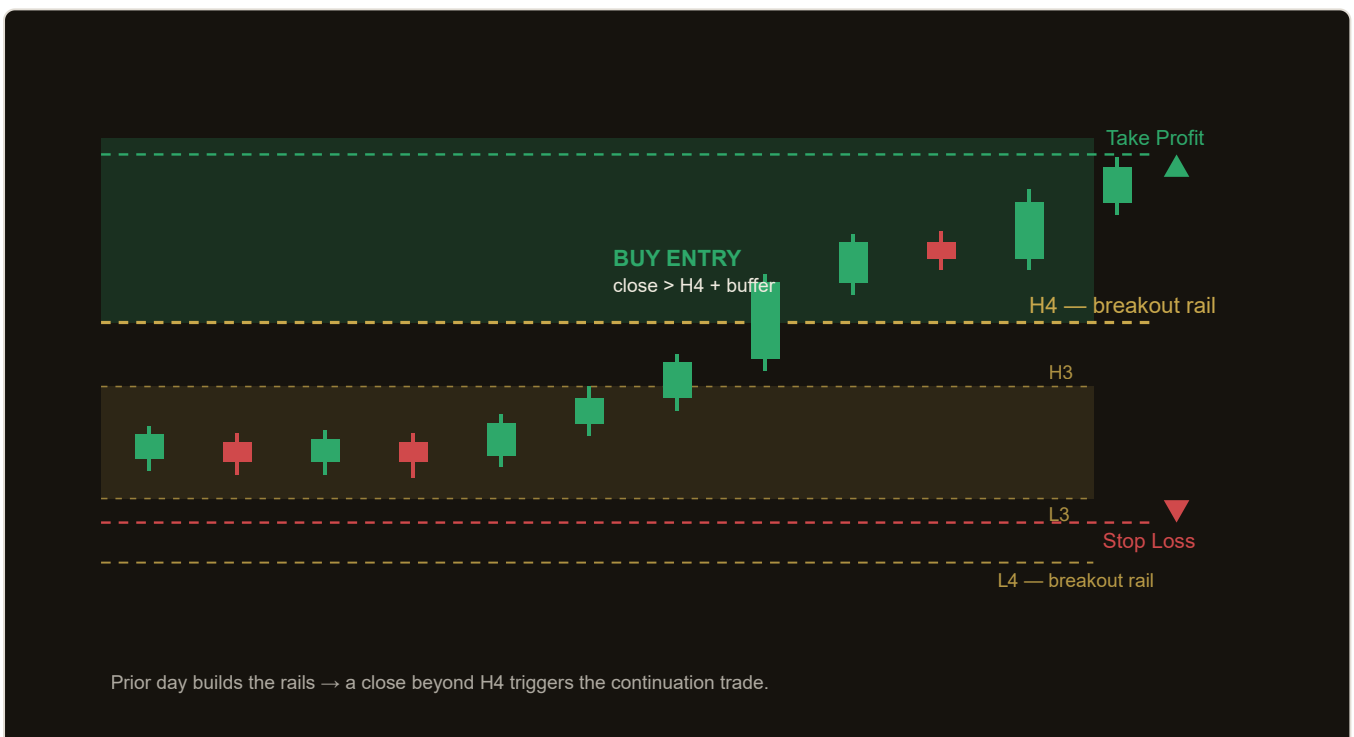
```

With the defaults (`AtrStopMult = 1.20` , `TpRewardRatio = 1.80`) each trade risks 1.2× ATR to make 1.8× that risk — a reward-to-risk ratio of 1.8 : 1. There is no trailing stop or time-based exit; the trade resolves at either the SL or the TP.

Daily discipline. The `tradesToday` counter resets at every new calendar day. Combined with the “one position per magic” rule, this stops the EA from repeatedly re-entering on the same rail after an exhausted or failed break.

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

Parameter	Default	Description
AtrPeriod	14	ATR lookback used for both the stop distance and the breakout buffer. Range 5–50, step 1.
AtrStopMult	1.20	Stop distance as a multiple of ATR ($SL = AtrStopMult \times ATR$ from the fill). Range 0.30–4.00, step 0.10.
TpRewardRatio	1.80	Take-profit distance as a multiple of the ATR-based risk (reward-to-risk ratio). Range 0.50–5.00, step 0.10.
BreakoutBufferAtr	0.15	Extra distance beyond H4 / L4 a close must clear, as a fraction of ATR, to count as a genuine breakout (noise filter). Range 0.00–1.50, step 0.05.
MaxTradesPerDay	2	Maximum breakout entries allowed within a single UTC calendar day. Range 1–10, step 1.
MaxSpreadPoints	100	Skip entries when the current spread (in points) exceeds this value. Range 5–400, step 5.
Lots	0.10	Fixed order volume in lots. Range 0.01–1.00, step 0.05.
Magic	7734	Magic number identifying this EA's positions. Range 0–9,999,999, step 1.

Recommended Settings

Camarilla day-trading is designed around a single-day cycle of levels, so the EA is most at home on liquid instruments and intraday charts where a full day produces a meaningful range.

- **Symbols:** major FX pairs (e.g. EUR/USD, GBP/USD) and liquid indices/metals with tight, stable spreads.
- **Timeframe:** M15, M30 or H1 — enough bars per day to build a clean range and to feed the ATR, without excessive intrabar noise.
- **Breakout buffer:** raise `BreakoutBufferAtr` on noisy or news-driven symbols to demand a more decisive close beyond the rail; lower it for cleaner trending instruments.
- **Spread guard:** keep `MaxSpreadPoints` conservative on retail accounts so breakouts are only taken when fills are cheap.

Example configuration — EUR/USD, M30

`AtrPeriod = 14` , `AtrStopMult = 1.20` , `TpRewardRatio = 1.80` , `BreakoutBufferAtr = 0.20` ,
`MaxTradesPerDay = 2` , `MaxSpreadPoints = 60` , `Lots = 0.10` . A slightly larger buffer than the default filters marginal pokes through H4/L4 on the 30-minute chart.

Tip. Because all distances are ATR-based, the same parameter set transfers across symbols and volatility regimes without recalculating point values. Always validate on the Strategy Tester with the target symbol's real spread before going live.

Optimise responsibly. Over-fitting `AtrStopMult` , `TpRewardRatio` and `BreakoutBufferAtr` to a single historical window is easy and misleading. Prefer robust settings that hold across multiple periods and symbols over ones that merely maximise a past equity curve.

How to Install on MetaTrader 5

- 1 Copy `CamarillaBreakoutContinuation.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. The EA needs at least one full UTC calendar day of closed bars before it can build Camarilla levels and begin trading. On a fresh chart, allow the first day to complete or load enough history in the Strategy Tester.

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.