

# Chandelier Trend Rider

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Trend-Following Breakout

## TIMEFRAME

M15 – H4

## WEBSITE

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

**Chandelier Trend Rider** is a trend-following breakout Expert Advisor that combines three independent, well-established ideas so that each layer suppresses a different class of false signal. It enters on a **Donchian channel breakout**, filters every trade through an **EMA trend regime**, and manages the position with a ratcheting **ATR Chandelier Exit** — an adaptive trailing stop that lets winners run while it only ever tightens.

Because every decision is expressed in ATR (volatility) and raw bar structure rather than fixed pip distances, the system is point-size and timeframe agnostic. It runs on whatever symbol and timeframe you attach it to, and is particularly well suited to trending FX majors, gold, or an index on the M15 to H4 timeframes. Every signal is evaluated strictly on **closed bars**, so a level can never "see itself" form.

**The core idea.** A raw breakout system fires on every push to a new extreme — including the many that fail at the counter-trend edge of the range. Chandelier Trend Rider only takes breakouts that *agree with the prevailing trend*, then hands the winner to a volatility-based trailing stop that ratchets in one direction only. Fewer false starts in; profit protected on the way out.

# How It Works

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The strategy layers three components. A trade must survive all of them: the regime filter decides whether a breakout is even eligible, the Donchian break provides the trigger, and the Chandelier Exit governs the ride.

## 1. Regime Filter (EMA)

An Exponential Moving Average of length `TrendEmaPeriod` defines the prevailing trend. Only breakouts that agree with it are taken:

- A break to new highs is bought **only while price is above the EMA**.
- A break to new lows is sold **only while price is below the EMA**.

This is the single biggest false-signal killer. It discards the counter-trend edge of the channel — precisely where breakouts most often fail and reverse.

## 2. Entry (Donchian Breakout)

The entry trigger is a decisive close beyond the extreme of the last `ChannelPeriod` completed bars. A long is triggered when the just-closed bar closes **above** the highest high of the prior N bars; a short when it closes **below** the lowest low. By construction this is a fresh directional break of recent structure — exactly the kind of move that tends to extend.

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LONG   : close > HighestHigh(ChannelPeriod) AND close > EMA
SHORT  : close < LowestLow(ChannelPeriod)  AND close < EMA
```

## 3. Risk & Ride (ATR Chandelier Exit)

On entry, an initial protective stop is placed `InitialStopAtrMult × ATR` away from the fill. Because it is scaled by ATR, the stop breathes with the instrument's current volatility. Thereafter the stop is **ratcheted** using a Chandelier Exit:

- **Long:** the stop trails at `HighestHigh(ChannelPeriod) - ChandelierAtrMult × ATR` and only ever moves **up**.
- **Short:** the stop trails at `LowestLow(ChannelPeriod) + ChandelierAtrMult × ATR` and only ever moves **down**.

The trail never loosens the stop, locking in open profit as the trend extends. A wide take-profit at `TakeProfitRewardMult × initial-risk` acts only as a distant backstop; set it to `0` to disable the hard target entirely and let the Chandelier trail do all the exiting.

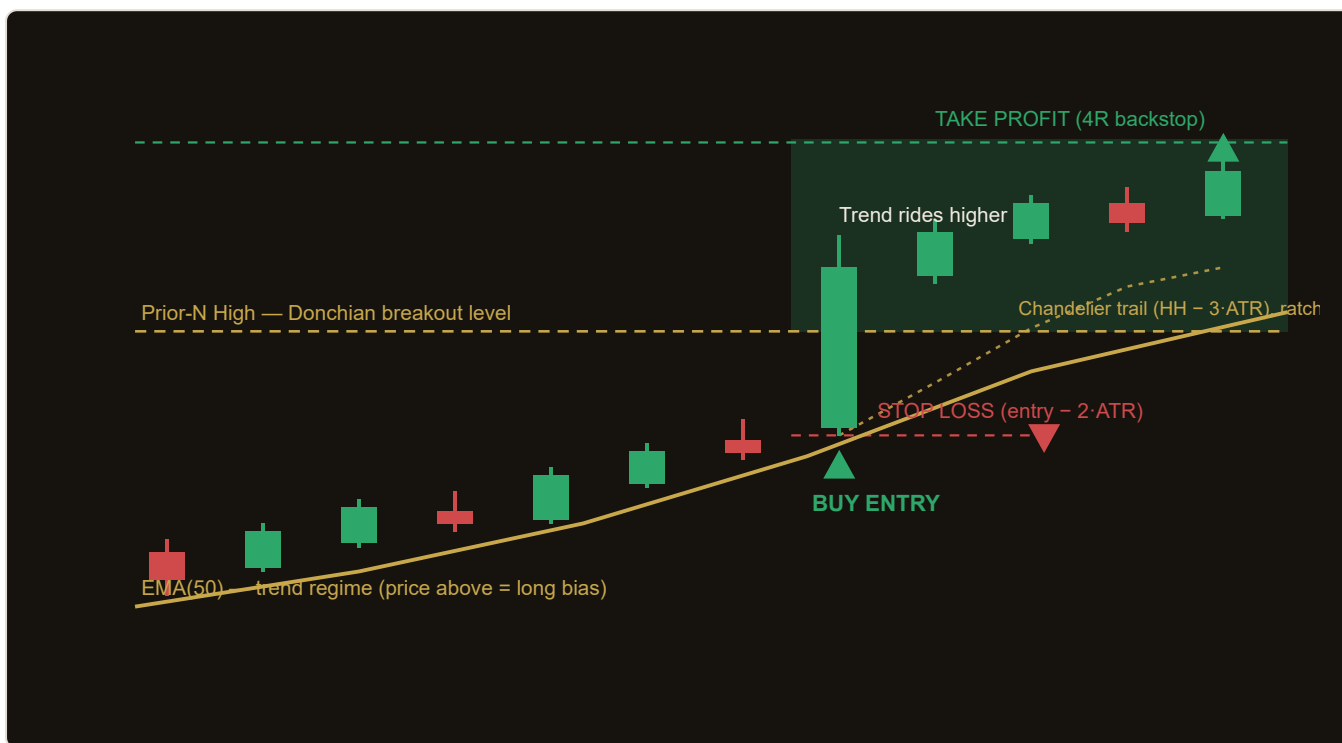
## CLOSED-BAR EVALUATION & ONE TRADE AT A TIME

The EA acts once per newly-closed bar. Indicators and channel extremes are computed from **prior** bars only — the just-closed breakout bar is appended to history *after* evaluation, so a level never sees itself. The

strategy holds at most one position per symbol at a time (keyed by the **Magic** number): while a trade is open it only manages the trailing stop; it looks for new entries only when flat.

## 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.*

### Walk-through of the long above

Price consolidates just under the prior-N high while holding above the rising EMA. The breakout bar closes decisively above the Donchian level (and above the EMA), so a

#### **BUY**

is triggered. The initial stop sits  $2 \times \text{ATR}$  below entry. As the trend extends, the Chandelier Exit ratchets the stop upward toward  $\text{HighestHigh} - 3 \times \text{ATR}$ , locking in open profit; it never moves back down. The 4R take-profit waits far above as a backstop only.

## Parameters

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Parameter	Default	Description
ChannelPeriod	20	Lookback in bars for the Donchian breakout extreme <i>and</i> the Chandelier trail. Range 10–60, step 5. Larger = fewer, more significant breakouts.
TrendEmaPeriod	50	EMA length defining the trend regime the breakout must agree with. Range 20–200, step 10. Longer = stricter, slower regime.
AtrPeriod	14	ATR length used for both the initial stop and the Chandelier trail distance. Range 7–30, step 1.
InitialStopAtrMult	2.0	Initial protective stop distance, in ATR multiples. Range 1.0–5.0, step 0.5. Wider = more room but larger risk per trade.
ChandelierAtrMult	3.0	Chandelier trailing-stop distance from the running extreme, in ATR multiples. Range 1.5–6.0, step 0.5. Wider = gives the trend more room to breathe.
TakeProfitRewardMult	4.0	Backstop take-profit as a multiple of the initial risk (R). Range 0.0–10.0, step 0.5. Set to 0 for no hard target (trail-only exit).
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.00, step 0.05.
Magic	8801	Magic number identifying this EA's orders. Range 0–9,999,999. Use a unique value per chart/instance.

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## Recommended Settings

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The defaults are a balanced starting point for trending instruments on intraday-to-swing timeframes.

Suggested contexts:

- **Instruments:** trending FX majors (EUR/USD, GBP/USD, USD/JPY), gold (XAU/USD), or a major index.
- **Timeframe:** M15 to H4. Higher timeframes produce fewer but cleaner breakouts.
- **Regime vs. trigger balance:** a shorter `ChannelPeriod` with a longer `TrendEmaPeriod` takes more breakouts but keeps a strict trend filter; the reverse is more selective on entries.
- **Trail tuning:** raise `ChandelierAtrMult` on choppier symbols to avoid being shaken out; lower it to bank profit faster on smoother trends.

**Tip — trail-only mode.** Setting `TakeProfitRewardMult = 0` removes the hard target so exits are governed entirely by the ratcheting Chandelier Exit. This maximises the "let winners run" behaviour and is often the most trend-faithful configuration — at the cost of occasionally giving back more open profit on sharp reversals.

**Always validate before live use.** Backtest and forward-test on a demo account across multiple market conditions before committing real capital. Optimise parameters on out-of-sample data to avoid curve-fitting, and confirm the symbol trends well enough for a breakout system to have an edge.

## How to Install on MetaTrader 5

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- 1 Copy `ChandelierTrendRider.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

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