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Cradle Zone Reclaim

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Trend Continuation	M30 – H4	www.algobot.live

Overview

Cradle Zone Reclaim is a trend-following **continuation** system built on the classic "EMA cradle" — the price zone between a fast exponential moving average and a slow one. In a healthy trend the two EMAs fan apart and price rides above them (uptrend) or below them (downtrend). The highest-odds re-entry is not the breakout itself, but the shallow pullback that drops back *into* the cradle zone, finds the slow-EMA floor holding, and then reclaims the fast EMA on a same-direction candle. That is where trend traders "buy the dip / sell the rip" with the tightest possible risk.

What makes this distinct from a plain moving-average cross or a single-line pullback is that the signal requires **both** EMAs to co-operate. The pullback candle must tag the zone (its wick reaches the fast EMA) yet the slow EMA must **not** be breached (the cradle floor holds), and the candle must close back through the fast EMA in the trend direction. A pullback that closes the cradle out — breaking the slow EMA — is rejected outright. That single filter is what keeps drawdown low: the EA only ever takes continuations where the underlying trend structure is still intact.

> **The core idea in one line:** only re-enter a live trend when price dips into the EMA cradle, the slow-EMA floor holds, and the candle closes back on the trend side of the fast EMA — never when the cradle breaks.

How It Works

The Cradle Zone

Two exponential moving averages define the cradle. The **fast EMA** (default 8) is the near edge that price hugs; the **slow EMA** (default 21) is the deeper floor (in an uptrend) or ceiling (in a downtrend). The band between them is the “cradle”. Pullbacks in a strong trend tend to stall inside this band rather than pierce all the way through it.

Regime Gate (no counter-trend trades)

Before any entry is considered, the EA confirms a directional trend is genuinely in force. Only one side is ever permitted at a time:

- **UP regime** — the fast EMA is above the slow EMA, the slow EMA is *rising* by at least `SlopeAtrMin × ATR` per bar, and the fast EMA is also rising.
- **DOWN regime** — the exact mirror: fast EMA below slow EMA, slow EMA falling by at least the same ATR-scaled slope, and the fast EMA falling too.

The slope threshold is measured in ATR units over `SlopeLookback` bars, so the trend requirement automatically scales with volatility. If neither regime is active, no trade is taken — the EA never fades a trend or trades a flat market.

Entry Logic

Signals are evaluated once per completed bar, and the logic is fully symmetric for longs and shorts. The just-closed bar is the “cradle-test” candle.

LONG

- UP regime is active.
- The bar's low tagged the cradle — `slowEMA ≤ low ≤ fastEMA` (it reached into the zone but the slow-EMA **floor held**).
- The bar closed **bullishly back above the fast EMA** (`close > fastEMA`).
- Entry is placed at the **Ask**.

SHORT

- DOWN regime is active.
- The bar's high tagged the cradle — `fastEMA ≤ high ≤ slowEMA` (the slow-EMA **ceiling held**).
- The bar closed **bearishly back below the fast EMA** (`close < fastEMA`).
- Entry is placed at the **Bid**.

Worked example — a long continuation

EUR/USD is trending up on H1: the 8-EMA sits above a steadily rising 21-EMA. Price pulls back and a candle prints a low that dips between the two EMAs, tags the 8-EMA, but never touches the 21-EMA below it. The same candle then closes back above the 8-EMA as a green bar. The regime gate confirms both EMAs are rising — the EA buys at the Ask, places its stop just below the 21-EMA, and targets 2.2× that risk.

Risk & Trade Management (the low-drawdown engine)

- **Structural stop** — the stop sits just beyond the cradle floor/ceiling (the slow EMA), buffered by `StopBufferAtr × ATR`. Because entry hugs the fast EMA, the risk per trade is naturally small.
- **Reward-multiple target** — the take-profit is `RewardRatio` times the structural stop distance, letting trend winners pay for the many break-even scratches.
- **Break-even lock** — once price advances `BreakevenAtr × ATR` in favour, the stop is pulled to entry. A resumed pullback can no longer turn a good trade into a loss. This is the primary drawdown suppressor.
- **Regime exit** — if the fast EMA crosses back through the slow EMA, the trend premise is gone and the position is closed immediately.
- **One position per Magic** — no pyramiding, no averaging down, no stacking a second entry.

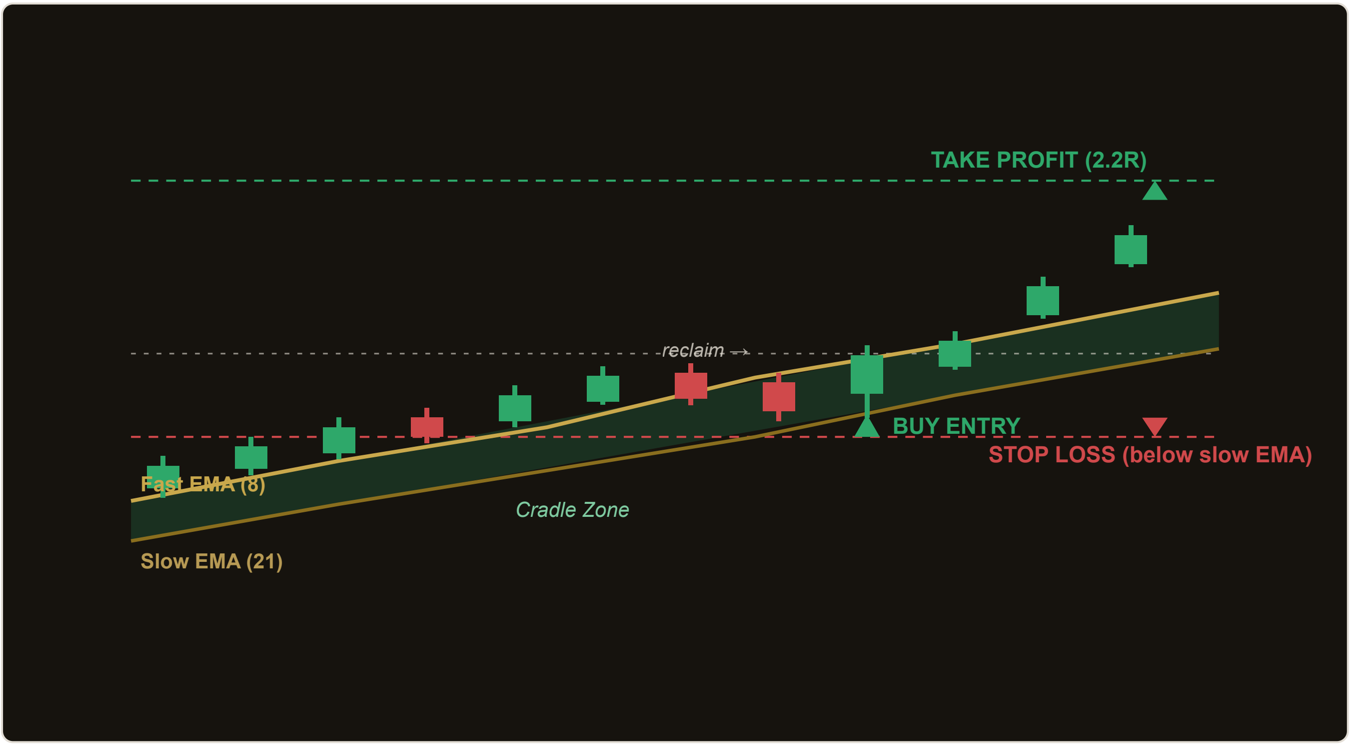
Degenerate-stop guard: if the computed structural risk is smaller than `0.10 × ATR`, the trade is skipped entirely — this avoids entries where the stop would sit unrealistically tight to entry.

Single Timeframe

Every bar/price read uses the chart's primary timeframe — nothing is hardcoded, so the EA runs on whatever timeframe the chart or backtest selects. It was designed with a trending FX major or metal (e.g. EUR/USD or XAU/USD) on **M30–H4** in mind.

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
FastEma	`8`	Fast EMA period — the top edge of the cradle that price must reclaim. Range 3–25.
SlowEma	`21`	Slow EMA period — the cradle floor (uptrend) or ceiling (downtrend) that must hold on the pullback. Range 10–80.
AtrPeriod	`14`	ATR window used for slope normalisation, the stop buffer and the break-even distance. Range 5–40.
SlopeLookback	`3`	Number of bars over which the slow-EMA slope is measured. Range 1–20.
SlopeAtrMin	`0.03`	Minimum slow-EMA rise/fall per bar, in ATR units, required to confirm a trend. Range 0.00–0.40.
StopBufferAtr	`0.50`	Stop buffer beyond the cradle floor/ceiling (slow EMA), in ATR units. Range 0.10–2.00.
RewardRatio	`2.20`	Take-profit distance as a reward:risk multiple of the structural stop. Range 1.00–6.00.
BreakevenAtr	`1.00`	Favourable advance (in ATR) after which the stop is pulled to break-even. Range 0.20–3.00.
Lots	`0.10`	Fixed trade volume in lots. Range 0.01–1.00.
Magic	`530731`	Unique identifier tagging this EA's trades so it manages only its own positions. Range 0–9,999,999.

Recommended Settings

The defaults are tuned for a trending FX major or metal on the M30–H4 timeframes. Use the guidance below as a starting point and always validate on your broker's data before going live.

- **Symbols:** trend-prone instruments such as EUR/USD, GBP/USD, or XAU/USD.
- **Timeframe:** M30 to H4 — high enough that the cradle pullbacks are meaningful, low enough to see multiple setups.
- **EMAs:** the 8 / 21 pairing gives a responsive fast line with a stable cradle floor. Widen the slow EMA (e.g. 34–50) on faster timeframes to demand a cleaner trend.

- **SlopeAtrMin:** raise it toward 0.05–0.10 to trade only the strongest trends and reduce whipsaw; lower it for more frequent (but noisier) signals.
- **RewardRatio:** 2.2 balances hit-rate against payoff. Trending metals can support 3.0+, while range-prone pairs may prefer a tighter target.

> **Tip:** because entries hug the fast EMA and stops sit just past the slow EMA, per-trade risk is small and consistent. Size your `Lots` so a full structural-stop loss stays within your intended risk-per-trade, then let the break-even lock and reward-multiple target do the rest.

> **Fast/Slow ordering safeguard:** if a parameter sweep ever sets `FastEma ≥ SlowEma`, the EA automatically forces the fast EMA to be at least one period shorter than the slow EMA, so the cradle geometry always remains valid.

How to Install on MetaTrader 5

1. Copy `CradleZoneReclaim.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.