

Money Flow Pullback Trend

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Trend Continuation (Pullback)

TIMEFRAME

H1 · GBPUSD

WEBSITE

www.algotbot.live

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Overview

Money Flow Pullback Trend is a volume-aware, trend-following **pullback continuation** Expert Advisor for MetaTrader 5. Rather than trying to pick tops and bottoms, it waits for an established trend and then joins that trend on a healthy dip — the classic *“buy the dip in an uptrend, sell the rally in a downtrend”* approach.

What separates this strategy from a price-only pullback system is its use of the **Money Flow Index (MFI)**, a volume-weighted momentum oscillator — essentially a volume-weighted RSI computed from the typical price. Unlike a price-only oscillator, the MFI will not turn up on a dip unless **real buying volume flows back in**. This filters out weak, low-conviction bounces and keeps entries aligned with genuine order flow.

A trade is only considered when three conditions agree: the **EMA trend** is clearly established, the **MFI has cooled into the mid-zone and then resumed** (money flow returning), and **price reclaims the fast EMA** on a bar that closes in the trend's direction. Risk is managed with an ATR-based stop, a fixed reward-to-risk take-profit, and an ATR trailing stop.

Design principle — no repainting. All signal calculations use **closed bars only**. Each setup is evaluated once per newly-formed bar, so a signal that appears on the chart will not change or disappear later. Position management (the ATR trailing stop) runs on every tick for responsiveness.

How It Works

1. Trend Filter (two EMAs)

The strategy establishes trend direction from two exponential moving averages of the close, plus a location check against the slow EMA:

- **Uptrend:** $\text{EmaFast} > \text{EmaSlow}$ and the just-closed bar's close is above EmaSlow .
- **Downtrend:** $\text{EmaFast} < \text{EmaSlow}$ and the just-closed bar's close is below EmaSlow .

Only long setups are taken in an uptrend, and only short setups in a downtrend. The strategy never trades against the prevailing EMA structure.

2. Money Flow Pullback & Resume

The MFI is read on the just-closed window (mfiCur) and the window one bar earlier (mfiPrev). A symmetric mid-zone is used: the lower band is MfiMidline and the upper band is its mirror, $100 - \text{MfiMidline}$ (45 and 55 by default).

- **Long resume:** the MFI was below the mid-line ($\text{mfiPrev} < \text{MfiMidline}$) — money flow had cooled — and has now crossed back up through it ($\text{mfiCur} \geq \text{MfiMidline}$), while remaining below the overbought guard ($\text{mfiCur} < \text{MfiGuard}$).
- **Short resume:** the mirror condition — the MFI was above the upper band and has crossed back down through it, while remaining above the oversold guard ($100 - \text{MfiGuard}$).

Why the guard matters. The MfiGuard (default 80) blocks entries when money flow is already stretched into overbought/oversold territory. This avoids chasing a move that has likely exhausted itself, keeping entries on *fresh* continuations rather than late ones.

3. Price Confirmation

Volume alignment alone is not enough — price must confirm. For a long, the just-closed bar must be **bullish** ($\text{close} > \text{open}$) and close back **above the fast EMA**. For a short, the bar must be bearish and close below the fast EMA. This ensures the pullback has actually turned and price has reclaimed short-term momentum.

Long entry — all conditions in one bar

Uptrend intact (fast EMA above slow, price above slow EMA) → MFI dipped under 45 last bar and has now crossed back above 45 (and is still under 80) → the bar closes green and back above the fast EMA. The EA buys at the Ask on the next tick.

4. Exits — Stop, Target & Trailing

Every trade is protected the moment it is opened, using the ATR of the signal bar:

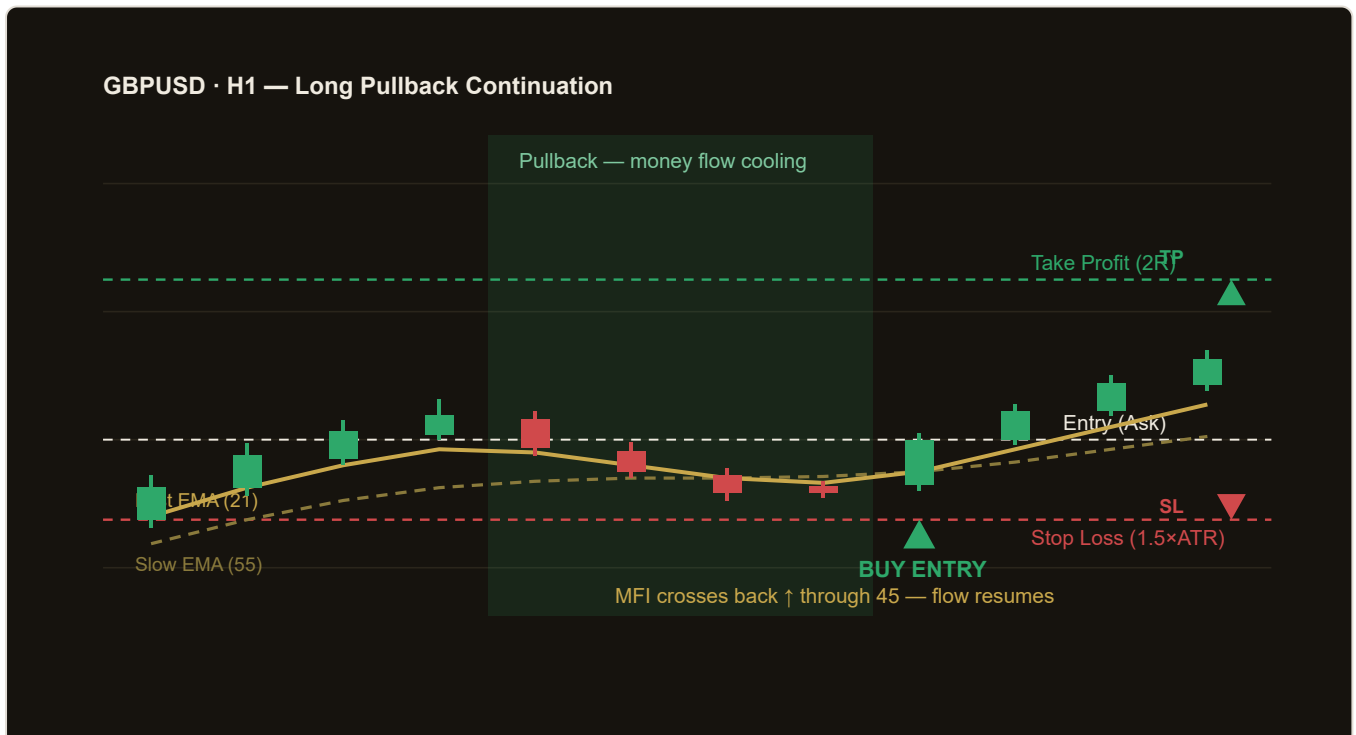
- **Stop-loss:** placed $\text{AtrSIMult} \times \text{ATR}$ away from entry (below entry for longs, above for shorts).
- **Take-profit:** the initial risk (entry – stop) multiplied by RewardRisk . With the defaults, a $1.5 \times \text{ATR}$ stop targets a 2:1 reward-to-risk exit.
- **ATR trailing stop:** on every tick, the stop is ratcheted to $\text{TrailAtrMult} \times \text{ATR}$ behind price. It **only ever tightens** in the trade's favour and uses a small epsilon buffer to avoid modify-spam on tiny price changes.

5. Trade Filters

- **Spread filter:** no new trade is opened while the current spread exceeds MaxSpread points (set to 0 to disable).
- **One position per magic:** at most a single open position is held under the EA's magic number at any time.
- **Warm-up guard:** trading begins only after enough closed bars exist to compute the slow EMA, MFI, and ATR reliably.

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 **long pullback continuation**: an uptrend, a dip that cools money flow back toward the mid-line, then a bullish bar that reclaims the fast EMA as the MFI resumes — triggering the buy.



Illustrative example only. Actual market behaviour varies.

Parameters

All inputs are exposed in the MT5 *Inputs* tab. Defaults match the values shipped with the EA; the ranges shown are the optimization bounds used by the Algotbot builder.

Parameter	Default	Description
EmaFast	21	Fast EMA period for the trend filter and price-reclaim check. Range 10–50, step 1.
EmaSlow	55	Slow EMA period defining the dominant trend. Range 30–120, step 5.
MfiPeriod	14	Look-back for the volume-weighted Money Flow Index. Range 7–28, step 1.
MfiMidline	45.0	Pullback / resume mid-line for longs; the short line mirrors at 100 – value. Range 35–49, step 1.
MfiGuard	80.0	Overbought/oversold entry guard — blocks late, stretched entries. Range 65–90, step 5.
AtrPeriod	14	ATR period used to size the stop, target, and trailing distance. Range 7–28, step 1.
AtrSIMult	1.5	ATR multiple for the initial stop-loss distance. Range 0.8–3.0, step 0.1.
RewardRisk	2.0	Reward-to-risk ratio for the take-profit relative to initial risk. Range 1.0–4.0, step 0.5.
TrailAtrMult	2.0	ATR multiple for the trailing stop distance (0 disables trailing). Range 1.0–4.0, step 0.5.
MaxSpread	30	Maximum allowed spread in points to open a trade; 0 disables the filter. Range 0–100, step 5.
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	720104	Magic number identifying this EA's positions (enforces one-position-per-magic).

Fixed lot sizing. The `Lots` input uses a constant volume — it does *not* scale to account equity or per-trade risk percentage. Size it appropriately for your balance and the instrument, and review it whenever your account size changes.

Recommended Settings

The strategy was designed around a liquid FX pair on an intraday timeframe, but it is timeframe-agnostic and runs on whatever chart it is attached to.

- **Symbol:** a liquid major FX pair such as **GBPUSD** (tight spreads keep the MFI volume proxy and spread filter meaningful).
- **Timeframe: H1** as a starting point. Lower timeframes produce more signals but are more sensitive to spread and noise.
- **Starting inputs:** the shipped defaults (EMA 21/55, MFI 14 @ 45 mid-line, ATR 14 with a 1.5× stop and 2:1 target, 2×ATR trail).
- **Spread filter:** keep `MaxSpread` tuned to your broker; if fills are being skipped during normal conditions, raise it slightly or set 0 to disable.

Before going live. Backtest on your own broker's data with realistic spread and commission, then run on a demo account to confirm behaviour. Because the MFI here uses *tick volume* as an FX volume proxy, results can differ between brokers — always validate on the feed you will actually trade.

How to Install on MetaTrader 5

- 1 Copy `MoneyFlowPullbackTrend.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

Tip. To find the correct data folder in MT5, use *File* → *Open Data Folder*, then navigate to `MQL5\Experts\`. After copying the file, right-click *Navigator* → *Refresh* so the EA appears in the list.

Risk Warning

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