

# Origin Zone Retest

Expert Advisor Documentation

## PLATFORM

MetaTrader 5 (MT5)

## TYPE

Supply & Demand · Momentum Retest

## TIMEFRAME

H1 (Intraday)

## 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

**Origin Zone Retest** is a single-timeframe, price-action expert advisor built on the classic supply & demand concept, refined with a momentum filter. It reasons that a strong "impulse" candle — one whose body is large relative to both the Average True Range (ATR) and its own high-to-low range — leaves behind an *origin*: the price area it explosively departed from. Institutional order flow tends to defend those origins on the first revisit, so the EA waits for price to return and only then takes a position in the direction of the original move.

Concretely, a bullish impulse stamps a fresh **demand** origin below price, and a bearish impulse stamps a fresh **supply** origin above price. When price later **retests** that zone and prints a confirming candle of the matching direction, the EA trades the resumption:

- **Bullish impulse** → **demand origin** → **bullish retest candle** → **LONG**
- **Bearish impulse** → **supply origin** → **bearish retest candle** → **SHORT**

To keep signal quality high, the strategy holds only **one freshest zone per side**. A zone is consumed after a single touch, expires after a configurable number of bars, and is discarded the moment price closes through its far edge. Minimum body/range and minimum stop-distance filters reject dojis and micro-range noise. All decisions are made on **closed bars**, giving deterministic, repaint-free behaviour.

# How It Works

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## 1. Detecting the Impulse & Stamping the Origin Zone

On every completed bar the EA measures the just-closed candle. It is treated as an impulse only if **both** of the following hold:

- $\text{Body} \geq \text{ImpulseAtrMult} \times \text{ATR}$  — the move is large in absolute (volatility-adjusted) terms.
- $\text{Body} \geq \text{BodyRatio} \times (\text{High} - \text{Low})$  — the candle is dominated by its body, not its wicks.

When an impulse is confirmed, the origin it departed from becomes the active zone for that side:

- **Bullish impulse (Close > Open):** demand origin spans  $\text{Low} \rightarrow \text{Open}$  (the base the candle launched from).
- **Bearish impulse (Close < Open):** supply origin spans  $\text{Open} \rightarrow \text{High}$  (the ceiling the candle dropped from).

If the raw origin is thinner than  $0.5 \times \text{ATR}$ , the zone is padded to that minimum thickness so it remains realistically retestable. Only the most recent zone per side is retained.

## 2. Zone Lifecycle & Invalidation

A stored zone is aged-out or invalidated on each new closed bar. It becomes inactive when any of these occur:

- It is **older than**  $\text{ZoneLookback}$  bars (stale origins are forgotten).
- Price **closes through its far edge** — a close below the demand low, or above the supply high, means the zone has broken.
- It is **touched and traded** — a zone is consumed by a single entry and immediately deactivated.

## 3. Entry Logic

Entries are considered only when the EA is **flat on its magic number** (one position at a time). A retest entry requires the confirming candle to sit inside the active zone and to point the right way, with a body of at least 30% of its own range:

### LONG (DEMAND RETEST)

- A demand zone is active, the signal candle is **bullish**, and  $\text{body} \geq 0.30 \times \text{range}$ .
- The candle dips into the zone ( $\text{Low} \leq \text{DemandHi}$ ) yet closes at/above the zone floor ( $\text{Close} \geq \text{DemandLo}$ ).
- Entry is placed at the **Ask**.

### SHORT (SUPPLY RETEST)

- A supply zone is active, the signal candle is **bearish**, and  $\text{body} \geq 0.30 \times \text{range}$ .

- The candle pokes into the zone (  $\text{High} \geq \text{SupplyLo}$  ) yet closes at/below the zone ceiling (  $\text{Close} \leq \text{SupplyHi}$  ).
- Entry is placed at the **Bid**.

#### 4. Stops, Targets & Break-Even Management

The stop is anchored to structure — placed beyond the far edge of the zone by a volatility buffer — and the target is a fixed multiple of that risk:

- **Long:**  $\text{SL} = \text{DemandLo} - \text{SLAtrMult} \times \text{ATR}$  ,  $\text{Risk} = \text{Entry} - \text{SL}$  ,  $\text{TP} = \text{Entry} + \text{RewardRisk} \times \text{Risk}$  .
- **Short:**  $\text{SL} = \text{SupplyHi} + \text{SLAtrMult} \times \text{ATR}$  ,  $\text{Risk} = \text{SL} - \text{Entry}$  ,  $\text{TP} = \text{Entry} - \text{RewardRisk} \times \text{Risk}$  .
- The trade is **rejected** if the computed risk is smaller than  $0.15 \times \text{ATR}$  , filtering out micro-range setups.

Once price has travelled **one full unit of risk** in the trade's favour, the stop is lifted to the entry price (break-even), removing downside on the position while leaving the original take-profit in place.

**Repaint-free by design.** Every zone update, invalidation, and entry decision is made on the *just-closed* bar (shift 1), never on the still-forming candle. The first new-bar event after start-up is intentionally skipped so a fully closed signal bar is always available.

## 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   |
|----------------|----------|---|
| ImpulseAtrMult | 1.2      | Impulse body must be at least this multiple of ATR. Higher = fewer, stronger impulses. Range 0.6–2.5, step 0.1.                       |
| BodyRatio      | 0.55     | Impulse body must fill at least this fraction of the candle's high-to-low range. Filters wick-heavy bars. Range 0.40–0.80, step 0.05. |
| ZoneLookback   | 30       | Number of bars a fresh origin zone stays valid before it expires. Range 10–100, step 5.   |
| AtrPeriod      | 14       | ATR averaging period used for zone thickness, stops, and targets. Range 7–30, step 1.   |
| SlAtrMult      | 1.0      | Stop sits this multiple of ATR beyond the zone's far edge. Larger = wider stops. Range 0.3–2.5, step 0.1.                             |
| RewardRisk     | 2.0      | Take-profit distance as a multiple of the trade's risk. Range 1.0–4.0, step 0.25.   |
| Lots           | 0.10     | Fixed trade volume in lots. Range 0.01–1.0, step 0.05.  |
| Magic          | 20260701 | Magic number used to identify and manage this EA's positions independently of others.   |

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**Tuning tip.** `ImpulseAtrMult` and `BodyRatio` together govern how selective the EA is about what counts as an impulse. Raise them for fewer, higher-conviction zones on choppy instruments; lower them on smoothly trending markets where cleaner impulses are common.

## Recommended Settings

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The strategy is fully volatility-adaptive (all thresholds scale with ATR), so it transfers across symbols and timeframes without hard-coded price assumptions. Sensible starting points:

- **Symbols:** Liquid FX majors such as EURUSD, GBPUSD, or USDJPY, where supply/demand origins are respected cleanly.
- **Timeframe:** H1 as a balanced default; M15–H4 also work. Higher timeframes yield fewer but structurally stronger zones.
- **Risk/Reward:** Keep `RewardRisk` at 2.0 to start; the break-even move protects capital once price advances one unit of risk.

- **Position sizing:** Set `Lots` to match your account risk. As a fixed-lot EA, size conservatively relative to the ATR-based stop distance.

#### Example — EURUSD H1

With defaults, a sharp bullish hour closes with a body of  $1.4 \times \text{ATR}$ , stamping a demand origin from its Low to its Open. Twenty bars later price drifts back down, and a bullish hour closes inside that zone. The EA buys at the Ask, sets the stop one ATR below the zone floor, and targets twice that distance. After price rises one unit of risk, the stop trails up to break-even.

**Single-position, single-timeframe.** The EA holds at most one position per magic number and analyses only the chart's own timeframe. It does not hedge, grid, or average down — if a stop is hit, the trade is simply closed and the EA waits for the next fresh zone.

## How to Install on MetaTrader 5

- 1 Copy `OriginZoneRetest.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.