

Steady Baseline Trend Pullback

Expert Advisor Documentation

PLATFORM

MetaTrader 5 (MT5)

TYPE

Trend Continuation (Pullback)

TIMEFRAME

M15 – H4

WEBSITE

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

Steady Baseline Trend Pullback is a trend-following continuation Expert Advisor. Instead of following a conventional moving average — which is jerked around by a handful of violent bars such as news spikes and stop cascades — it builds its trend line from the opposite premise: those spikes are the *least* informative bars about where value actually sits, so they should count for less, not more.

The core of the EA is an **inverse-volatility weighted mean of the typical price**. Each completed bar contributes to the baseline with a weight of $1 / \text{TrueRange}$. Calm, tightly-ranged bars — where the market genuinely agreed on price — dominate the calculation, while wide spike bars are almost ignored. The result is a “steady baseline”: a de-noised anchor of accepted value that does not lurch on outliers. A steadier line produces fewer false pullback triggers and therefore lower drawdown, which is the central design goal.

The steady baseline is used **purely as a with-trend pullback engine** — never a counter-trend fade. It buys shallow dips that reclaim a rising baseline and sells shallow rallies that reclaim a falling one. Riding an established drift with a tight, structural stop is the lowest-drawdown archetype available, and three independent gates keep every loser small.

The key idea: A normal average treats a news-spike bar and a quiet consolidation bar as equals. This baseline does the reverse — it trusts the quiet bars (real consensus) and discounts the loud ones (noise). Because the anchor barely moves on spikes, pullback triggers are cleaner and drawdown stays contained.

How It Works

On every completed bar the EA recomputes the steady baseline twice — once for the current window and once shifted back by `SlopeBars` — to measure its slope in ATR units. A trade is only considered when all three gates agree.

The Steady Baseline

Over the last `BaselineBars` completed bars, each bar's typical price $(\text{High} + \text{Low} + \text{Close}) / 3$ is weighted by the inverse of that bar's True Range. Tight bars carry a large weight; wide bars carry almost none. The weighted mean is the baseline value. A second baseline is computed `SlopeBars` bars earlier so the slope can be expressed as:

```
slopeAtr = (baselineNow - baselinePrev) / ATR
```

Dividing by ATR makes the slope scale-free, so the same threshold works across symbols and volatility regimes.

The Three Entry Gates

1. **Trend gate** — the baseline must be sloping by at least `MinSlopeAtr` (in ATR units) and price must sit on the trending side of the line. The EA never fights the drift.
2. **Shallow-dip gate** — within the last `PullbackLookback` bars, price must actually *tag* the baseline, but the dip may not sink deeper than `PullbackMaxAtr × ATR` beyond it. A shallow dip signals a strong trend; a deep one signals the trend is breaking, so it is skipped.
3. **Reclaim gate** — entry fires only when a bar *closes* back on the trend side of the baseline with a decisive body (at least `BodyFrac` of its range) and is not already extended beyond `MaxChaseAtr × ATR` from the line (the no-chase filter). The EA acts on acceptance, not on an intrabar wick.

LONG SETUP

Baseline rising by at least `MinSlopeAtr`, close above it, a shallow dip has tagged the line within the lookback, and a decisive bullish bar closes back above the baseline without over-extending.

SHORT SETUP

The exact mirror — baseline falling, close below it, a shallow rally has tagged the line, and a decisive bearish bar closes back below without over-extending.

Exit Logic & Risk Management

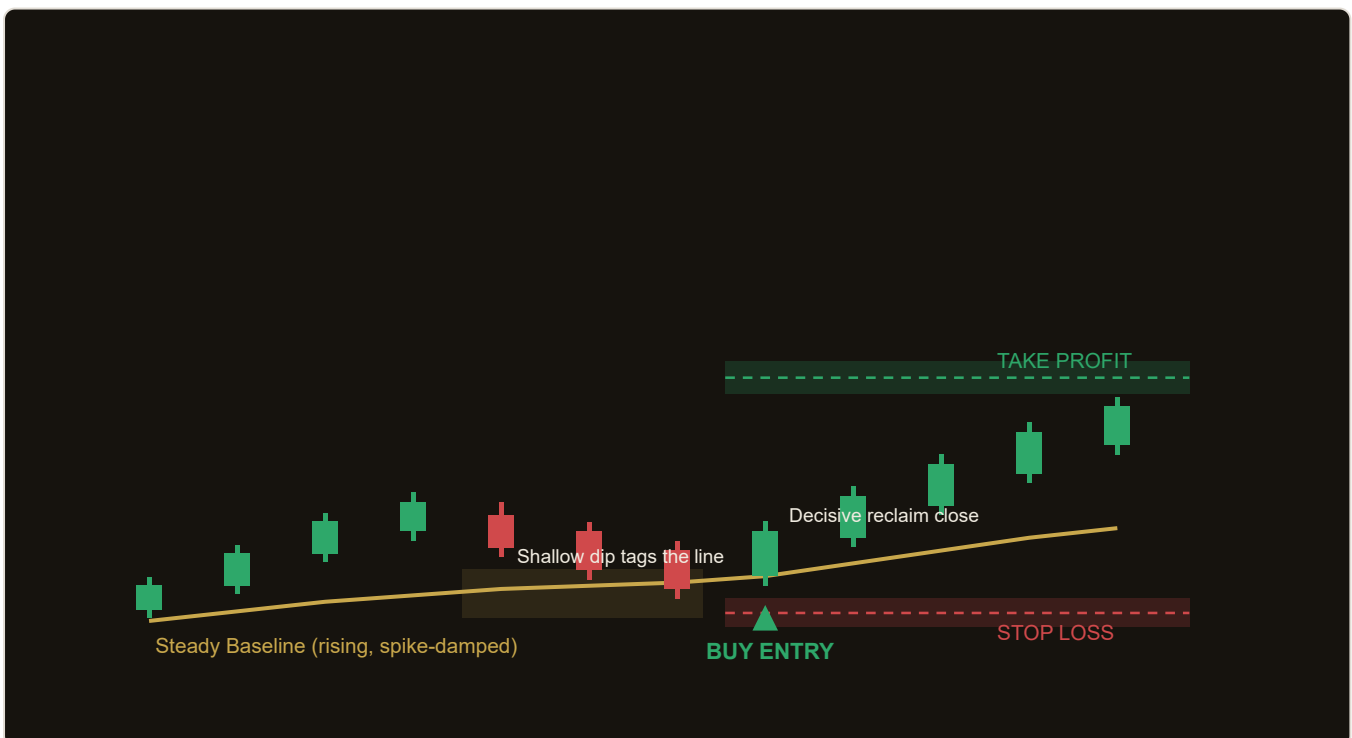
The EA is engineered around drawdown control. Because the qualifying dip was shallow, the structural stop is naturally tight.

- **Stop loss** — placed just past the pullback extreme (dip low for longs, rally high for shorts), offset by $\text{BufferAtr} \times \text{ATR}$.
- **Take profit** — a fixed reward multiple: $\text{entry} \pm \text{RiskReward} \times \text{risk}$, where **risk** is the entry-to-stop distance.
- **Breakeven** — once price advances **BreakevenR** multiples of the initial risk, the stop is pulled to the entry price.
- **ATR trail** — optional. When **TrailAtr** > 0, the stop trails the current price by $\text{TrailAtr} \times \text{ATR}$, locking in gains.
- **Fast invalidation** — the moment a completed bar closes back through the baseline (by more than the buffer), the continuation has failed and the position is closed immediately — typically for a fraction of the full stop.

One position at a time. The EA holds a single position per symbol/magic. While a trade is open it only manages breakeven, the trail, and the fast baseline-loss invalidation — it does not stack or hedge new entries.

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.



Parameters

Parameter	Default	Description
Lots	0.10	Fixed trade volume in lots. Range 0.01–1.00, step 0.05.
BaselineBars	30	Number of completed bars in the inverse-volatility weighted baseline window. More bars = smoother, slower anchor. Range 10–120, step 5.
SlopeBars	10	Look-back distance used to measure the baseline slope (baseline now vs. this many bars ago). Range 3–40, step 1.
MinSlopeAtr	0.20	Minimum baseline slope, in ATR units, required to declare a trend. Higher = only steeper, cleaner trends qualify. Range 0.00–2.00, step 0.05.
PullbackLookback	5	How many recent bars are scanned for the pullback that must tag the baseline. Range 2–15, step 1.
PullbackMaxAtr	1.00	Maximum allowed dip depth beyond the baseline, in ATR. Deeper dips are treated as a breaking trend and skipped. Range 0.20–3.00, step 0.10.
MaxChaseAtr	0.60	No-chase filter: the reclaim close may not be more than this many ATR beyond the baseline, preventing late entries. Range 0.10–2.00, step 0.10.
BodyFrac	0.40	Minimum candle body as a fraction of its range for a “decisive” reclaim bar. Range 0.10–0.90, step 0.05.
AtrPeriod	14	Averaging period for the ATR used in slope, dip-depth, buffer, and trail calculations. Range 7–28, step 1.
BufferAtr	0.10	Extra distance, in ATR, placed beyond the pullback extreme for the stop loss (and used as the invalidation margin). Range 0.00–0.50, step 0.05.
RiskReward	1.8	Take-profit distance as a multiple of the initial risk (entry-to-stop). Range 0.8–4.0, step 0.2.
BreakevenR	1.0	Profit, in multiples of initial risk, after which the stop is pulled to breakeven. 0 disables. Range 0.0–3.0, step 0.25.
TrailAtr	0.0	ATR-multiple trailing-stop distance. 0 disables the trail (breakeven still applies). Range 0.0–3.0, step 0.25.
Magic	730514	Magic number identifying this EA's positions so it manages only its own trades.

Recommended Settings

The strategy is built for trending majors and metals — EUR/USD, USD/JPY, XAU/USD — on M15 through H4. It reads only the primary chart timeframe, so it runs on whatever timeframe you attach it to.

Balanced starting point (majors, M15–H1)

Defaults as shipped: `BaselineBars = 30` , `MinSlopeAtr = 0.20` , `PullbackMaxAtr = 1.00` , `RiskReward = 1.8` , `BreakevenR = 1.0` , `TrailAtr = 0.0` . A solid, drawdown-conscious baseline for cleanly trending pairs.

Tighter / lower-drawdown (choppy conditions)

Raise the trend bar: `MinSlopeAtr = 0.35–0.50` and lower `PullbackMaxAtr = 0.70` so only shallow dips in decisive trends qualify. Keep `BreakevenR = 1.0` to lock in early.

Let winners run (strong-trend instruments, e.g. XAU/USD H1–H4)

Enable the trail with `TrailAtr = 1.5–2.0` and lift `RiskReward = 2.5–3.0` . The fixed target becomes a floor while the ATR trail captures extended runs.

Tuning tip: Because slope and dip depth are measured in ATR units, the same parameter values transfer reasonably well across symbols. Adjust `MinSlopeAtr` first — it is the single biggest lever on trade frequency versus trend quality.

How to Install on MetaTrader 5

- 1 Copy `SteadyBaselineTrendPullback.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.