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Twin Close Sandwich Reversal

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Price-Action Reversal	H1 – H4	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

Twin Close Sandwich Reversal is a pure price-action Expert Advisor built around the classic **Stick Sandwich** candlestick pattern. It uses no technical indicators — every threshold is derived directly from recent price structure, scaling off the average bar range so the logic adapts automatically to any symbol or volatility regime.

The Stick Sandwich is a three-candle formation in which two same-colour bars close at (virtually) the **same price** while an opposite-colour bar is sandwiched between them. Those two matched closes mark a level the market tested twice and held — a support shelf in the bullish case, or a resistance shelf in the bearish case. When that shelf sits at a fresh swing extreme, it signals a level that has been twice-defended at the exhaustion point of a move.

- **Bullish sandwich (long):** a bearish bar A, a bullish bar B trading well above A's close, then a bearish bar C that closes back down onto A's close. The twin closes form a floor; the shared low of the trio must be a fresh swing low.
- **Bearish sandwich (short):** the exact mirror — two bullish closes matched at a ceiling with a bearish middle bar, printed at a fresh swing high.

> **How it differs from a tweezer:** A tweezer matches bar *extremes* (highs or lows) over two bars. The Stick Sandwich matches two *closes* over three bars, with a distinct opposite-colour candle wedged in the middle. It is a reversal, not a continuation, pattern.

How It Works

On every freshly closed bar the EA inspects the three most recently closed candles — bar A (oldest, index 3), the middle bar B (index 2), and bar C (newest, index 1) — and tests them against the sandwich rules. Only one position is held at a time per magic number; the stop-loss and take-profit manage the exit.

Adaptive thresholds

The EA first computes the average high-to-low range over the last `RangePeriod` bars. Three tolerances are then expressed as percentages of that average range:

```
avgRange = mean(High - Low) over RangePeriod bars
tol      = CloseTolerancePct / 100 × avgRange   // twin-close match tolerance
minMid   = MinMiddlePct      / 100 × avgRange   // required middle-bar excursion
buffer   = StopBufferPct     / 100 × avgRange   // structural stop cushion
shelf    = (A.Close + C.Close) / 2               // the matched close level
```

Entry logic — Bullish (long)

A long is opened at the Ask when **all** of the following are true:

- Bar A is bearish (close below open) and bar C is bearish — the two "bread" candles.
- Bar B is bullish (opposite-colour middle) and its close rises at least `minMid` above the shelf, confirming a meaningful excursion off the floor.
- The closes of A and C match within `tol` — the twin-close condition.
- The trio's shared low is a fresh swing low: no bar over the prior `LookbackBars` window traded lower.

Entry logic — Bearish (short)

A short is opened at the Bid under the mirror conditions: bars A and C bullish, a bearish middle bar B whose close drops at least `minMid` below the shelf, matched A/C closes within `tol`, and the trio's shared high confirmed as a fresh swing high.

Stop-loss & take-profit

Stops are structural and price-derived, placed just beyond the sandwich's outer extreme:

- **Long:** stop-loss = trio low − buffer; take-profit = entry + `RewardRisk` × risk, where risk = entry − stop.

- **Short:** stop-loss = trio high + buffer; take-profit = entry − `RewardRisk` × risk, where risk = stop − entry.

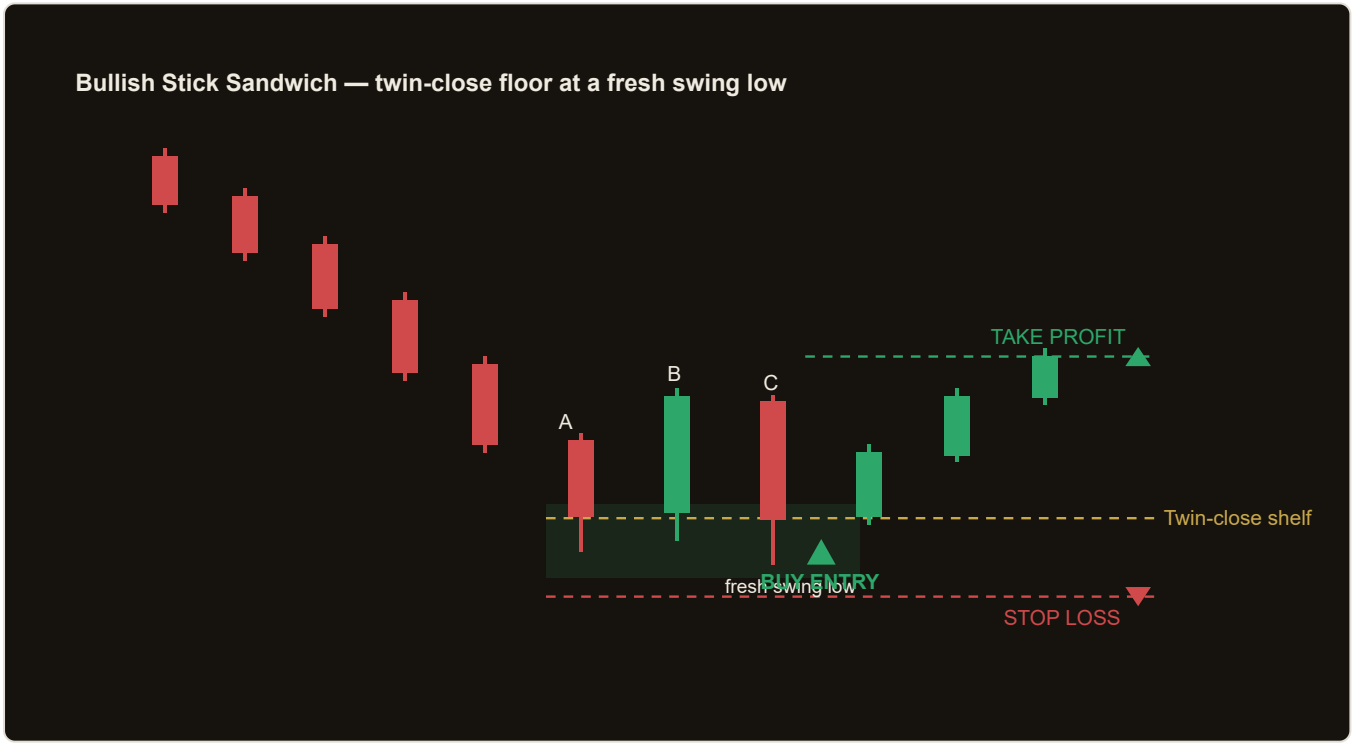
A trade is only sent when the computed risk is strictly positive. Because the stop is anchored to the pattern's structure rather than a fixed pip distance, the position size stays constant while the reward target automatically scales with the size of the sandwich.

Worked example (bullish sandwich)

Suppose `avgRange` = 40 pips. With defaults, `tol` = 4.8 pips, `minMid` = 18 pips, `buffer` = 10 pips. Bar A closes at 1.10000, bar C closes at 1.10030 (within tolerance → shelf ≈ 1.10015). The trio low is 1.09950 and is the lowest low of the last 20 bars. Entry at Ask 1.10040, stop = 1.09950 − 0.00100 = 1.09850 (risk 190 pips-equivalent), and with `RewardRisk` = 2.0 the target sits at entry + 2 × risk.

Strategy in Action

The illustration below shows an example of how the strategy identifies a bullish twin-close sandwich at a fresh swing low 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
LookbackBars	`20`	Swing-lookback window. The trio extreme must be the lowest low (or highest high) over this many prior bars to qualify as a fresh swing point. Range 5–60, step 1.
CloseTolerancePct	`12.0`	Twin-close match tolerance as a percent of average bar range. How close the A and C closes must be to count as "matched". Range 2.0–40.0, step 1.0.
MinMiddlePct	`45.0`	Required middle-bar excursion as a percent of average bar range. Bar B's close must clear the shelf by at least this amount. Range 10.0–150.0, step 5.0.
StopBufferPct	`25.0`	Structural stop cushion as a percent of average bar range, added beyond the trio's outer extreme. Range 0.0–100.0, step 5.0.
RewardRisk	`2.0`	Reward-to-risk multiple. Take-profit distance = this multiple × the entry-to-stop risk. Range 0.5–5.0, step 0.5.
RangePeriod	`14`	Number of bars used to compute the average high-to-low range that scales all percentage thresholds. Range 5–30, step 1.
Lots	`0.10`	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	`7731`	Magic number identifying this EA's positions so it manages only its own trades.

Recommended Settings

The defaults are tuned as a balanced starting point. Because every threshold scales off the average bar range, the same settings behave consistently across symbols and volatility regimes — but always validate on your own broker's data before live use.

- **Timeframe:** H1 to H4, where candlestick closes are meaningful and swing structure is clean. Lower timeframes produce more noise and looser twin-close matches.
- **Symbols:** Major FX pairs and other liquid instruments with well-behaved ranges. Avoid thin, gappy markets where "closes" are unreliable.
- **Twin-close strictness:** Lower `CloseTolerancePct` (e.g. 6–8) for stricter, higher-quality matches and fewer trades; raise it for more signals.
- **Reward target:** Keep `RewardRisk` at or above 1.5 so winners outrun the structural stop. Reversal setups tolerate a wider target because the stop sits at a defended extreme.
- **Swing window:** Increase `LookbackBars` to demand a more significant swing extreme (rarer, stronger signals); decrease it for more frequent but shallower reversals.

> **Tip:** Run the Strategy Tester's optimization pass over `CloseTolerancePct`, `MinMiddlePct`, and `RewardRisk` together — they jointly control signal frequency and expectancy, and their best values shift with the symbol's typical candle behaviour.

How to Install on MetaTrader 5

1. Copy `TwinCloseSandwichReversal.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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