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Wick Pressure Continuation

Expert Advisor Documentation

PLATFORM	TYPE	TIMEFRAME	WEBSITE
MetaTrader 5 (MT5)	Trend Continuation	M15 – H1	www.algobot.live

Overview

Wick Pressure Continuation is a trend-continuation Expert Advisor driven by a custom **Wick-Pressure Oscillator (WPO)** — a running read of where price is being *rejected* inside each candle. Most oscillators are built from closes or bodies; this one is built from the **shadows**, the part of every bar that records failed pushes.

A long **lower wick** means sellers drove price down but buyers reclaimed it before the close — a fingerprint of *demand*. A long **upper wick** means the reverse — a fingerprint of *supply*. Aggregating that rejection over time produces a directional "who is defending?" gauge that a close-only series never sees.

Inside an established trend, pullbacks that keep getting bought leave a trail of lower wicks. The moment that demand pressure re-asserts itself, the pullback is over and the trend is resuming. The EA enters **with** the trend on that fresh pressure re-assertion — a dip-buying continuation, not a reversal guess. The mirror logic holds for downtrends and upper-wick supply pressure.

The strategy is designed for a liquid FX major such as EUR/USD on the M15–H1 range, but the code locks to no timeframe — it trades whatever chart it is attached to. It uses a small, broadly-ranged parameter set to resist curve-fitting.

How It Works

The Wick-Pressure Oscillator (WPO)

For each completed bar the EA measures the balance of rejection between the two shadows and normalizes it by the bar's range, giving a value bounded in `[-1, +1]`:

```
range      = High - Low
upperWick  = High - max(Open, Close)      (failed push up   -> supply)
lowerWick  = min(Open, Close) - Low       (failed push down -> demand)
rawPress   = (lowerWick - upperWick) / range     in [-1, +1]
WPO        = EMA(rawPress, WickPeriod)           smoothed pressure
```

- **WPO > 0** — persistent lower-wick / **demand** dominance (buyers defend dips).
- **WPO < 0** — persistent upper-wick / **supply** dominance (sellers defend rallies).

> **Note:** A "dead" bar where `High == Low` carries no rejection information, so its raw pressure is treated as `0` rather than dividing by a zero range. The oscillator is smoothed with a finite-window EMA seeded from the simple average of the first `WickPeriod` readings.

Entry Logic

An entry requires **two** conditions to line up on the bar that just completed — a fresh pressure shift *and* trend agreement:

- **Fresh cross only.** The EA acts on the bar where the WPO crosses *out* through the band — inside `±Threshold` on the prior bar, beyond it on this one. A genuine shift, not a value already parked outside the band.
- **Trend agreement.** An EMA of close (length `TrendPeriod`) must contain price on the correct side *and* slope the same way over `SlopeBars`. This skips counter-trend pokes and only takes pressure shifts that push with the prevailing drift.

```
LONG  : WPO crosses UP   through +Threshold, close > EMA, EMA rising
SHORT : WPO crosses DOWN through -Threshold, close < EMA, EMA falling
```

Worked example — long continuation

Price is in an uptrend (close above a rising 50-EMA). A shallow pullback prints a run of long lower wicks as dips get bought. On the previous bar the WPO sat at `+0.12` (inside the `+0.20` band); on the just-closed bar it pushes to `+0.27` — a fresh cross up through the threshold. Because the close is above the rising EMA, the EA opens a long at the Ask on the trend's resumption.

Exit Logic

Only one position per magic number is held at a time. An open trade is managed two ways:

- **Reversal exit.** If an *opposing* fresh cross appears — a cross down through `-Threshold` while long, or a cross up through `+Threshold` while short — the pressure has flipped and the position is closed early.
- **Stop / target.** Otherwise the ATR-based stop-loss and take-profit manage the position to completion.

Stop-Loss & Take-Profit

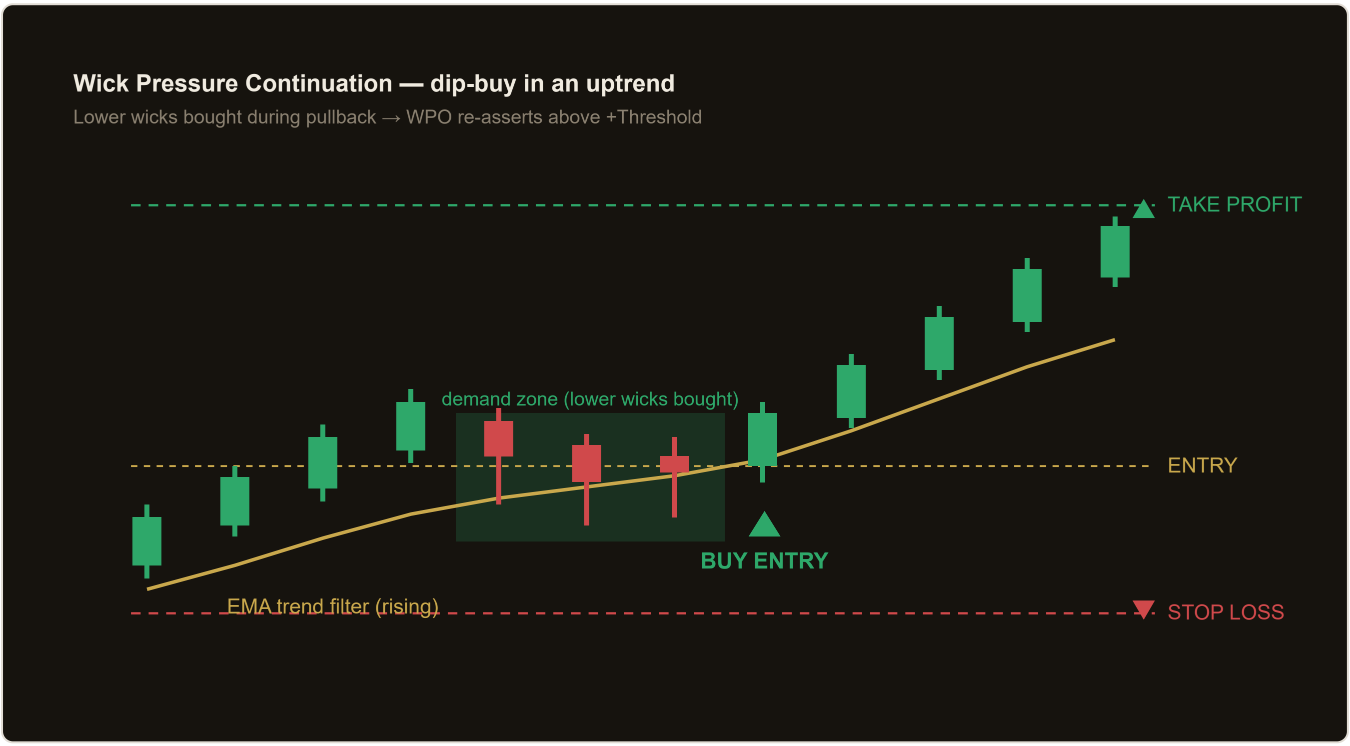
Risk distances are volatility-scaled from the Average True Range (simple mean of True Range over `AtrPeriod` bars):

```
LONG  : SL = entry - AtrSlMult * ATR    TP = entry + AtrTpMult * ATR
SHORT : SL = entry + AtrSlMult * ATR    TP = entry - AtrTpMult * ATR
```

With the defaults (`AtrSlMult = 2.0` , `AtrTpMult = 3.0`) each trade carries a built-in **1.5 : 1 reward-to-risk** profile. Position sizing is a fixed lot (`Lots`). If ATR is non-positive, no trade is taken.

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
WickPeriod	`6`	EMA smoothing length of the raw wick-pressure series. Range 3–20, step 1. Lower is more reactive; higher is smoother.
TrendPeriod	`50`	EMA trend-filter length used for both price direction and slope. Range 20–200, step 5.
SlopeBars	`3`	Lookback over which the trend EMA slope must agree with the trade direction. Range 1–10, step 1.
Threshold	`0.20`	Pressure trigger level in [-1, 1]. Larger values demand fewer but stronger shifts. Range 0.0–0.6, step 0.05.
AtrPeriod	`14`	ATR length used for the stop-loss and take-profit distances. Range 7–30, step 1.
AtrSlMult	`2.0`	Stop-loss distance multiplier: SL = entry ∓ AtrSlMult × ATR. Range 1.0–4.0, step 0.5.
AtrTpMult	`3.0`	Take-profit distance multiplier: TP = entry ± AtrTpMult × ATR. Range 1.0–6.0, step 0.5.
Lots	`0.10`	Fixed trade volume in lots. Range 0.01–1.0, step 0.05.
Magic	`7431`	Magic number identifying this EA's positions (one position per magic at a time).

Recommended Settings

The defaults are a balanced starting point for a liquid FX major on the M15–H1 range. Consider these adjustments when tuning:

- **Symbol & timeframe:** EUR/USD or a similarly liquid major on M15, M30 or H1. Cleaner shadow structure gives the WPO more reliable signal.
- **Threshold:** raise toward `0.30–0.40` for fewer, higher-conviction entries in strongly trending conditions; lower toward `0.10–0.15` to catch more continuations in quieter drift.
- **TrendPeriod / SlopeBars:** a longer `TrendPeriod` with a slightly larger `SlopeBars` filters out shallow, noisy pullbacks on higher timeframes.
- **ATR multipliers:** the default `2.0 / 3.0` gives a 1.5 : 1 reward-to-risk. Widen the stop in higher-volatility sessions; keep the target proportionally larger to preserve the ratio.

Tip: Because the oscillator, trend EMA and ATR are all computed from finite-window formulas over completed bars, always backtest and forward-test any parameter change on the exact symbol and timeframe you intend to trade before going live.

How to Install on MetaTrader 5

1. Copy `WickPressureContinuation.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.