

Risk-Reward Sweep - Does the Entry Predict Anything?

Instruments : EURUSD, GBPUSD, XAUUSD Period: 2010-01 -> 2026-07

THE TEST

For a fixed stop and a target at RR x risk, breakeven win rate is

$$\text{breakeven(RR)} = 1 / (1 + \text{RR})$$

RR=0.5 -> 66.7%	RR=1 -> 50.0%	RR=1.5 -> 40.0%
RR=2 -> 33.3%	RR=3 -> 25.0%	RR=5 -> 16.7%

If the entry has NO directional information the observed win rate tracks that curve at EVERY RR, and gross expectancy stays ~0.
If it HAS information, some RR beats its own breakeven by more than noise.

This is immune to the 'fewer trades looks better' artifact that made every filter in v2/v3 appear to help.

GROSS = zero transaction cost. It isolates whether the ENTRY predicts. NET adds the spread and says whether it is tradable.

ENTRIES (each fixed while RR varies)

1H EMA50 cross	the original specification
1H body k=2	best 1H cell from the v3 grid
4H body k=2	best 4H body cell from v3
4H c2c k=2	the only cell of 24 that finished green

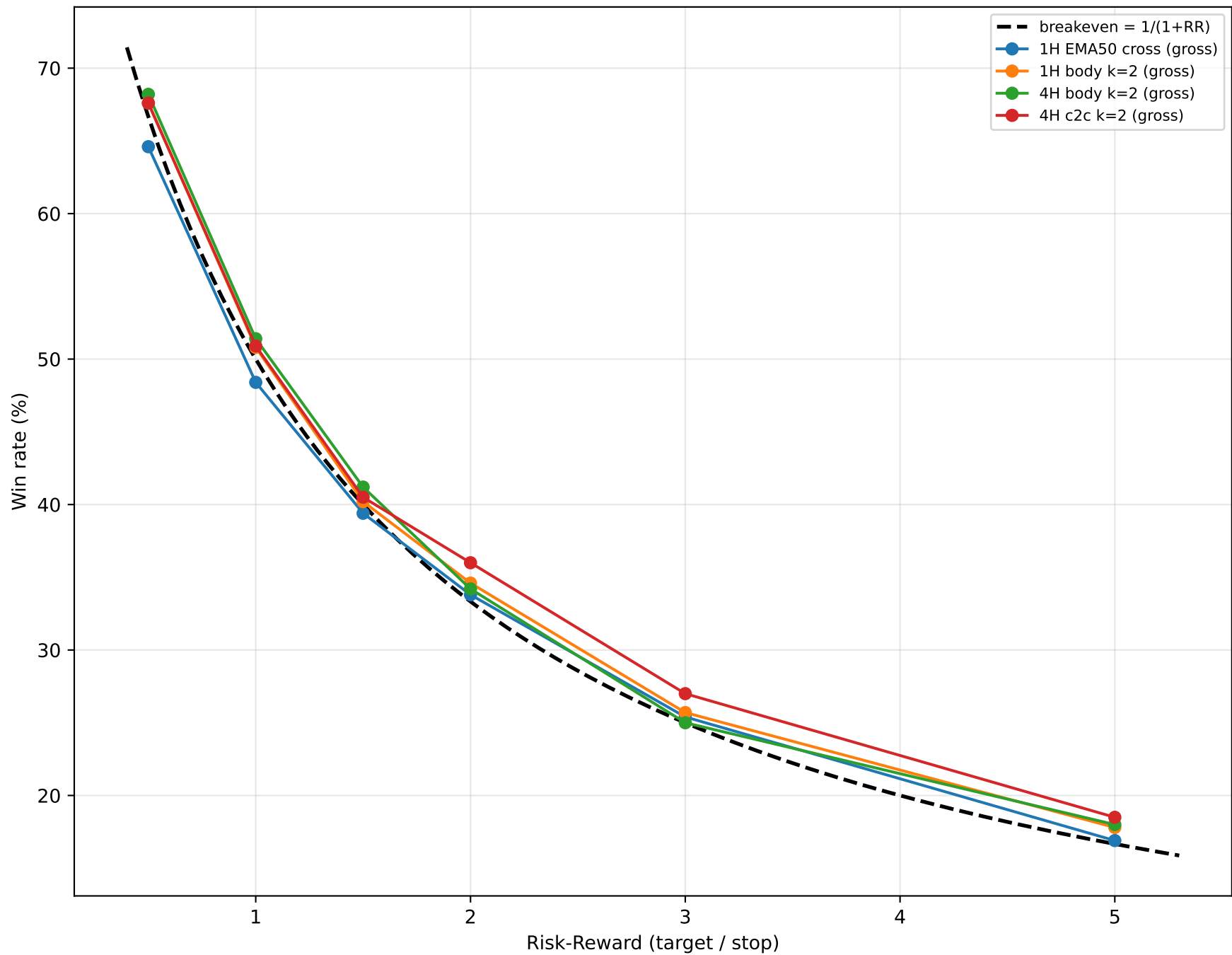
GUARDS 30:1 leverage cap + 0.03% minimum stop distance. Without them a doji signal candle sizes into a -168R loss and ruin.

Risk-Reward Sweep - Full Results

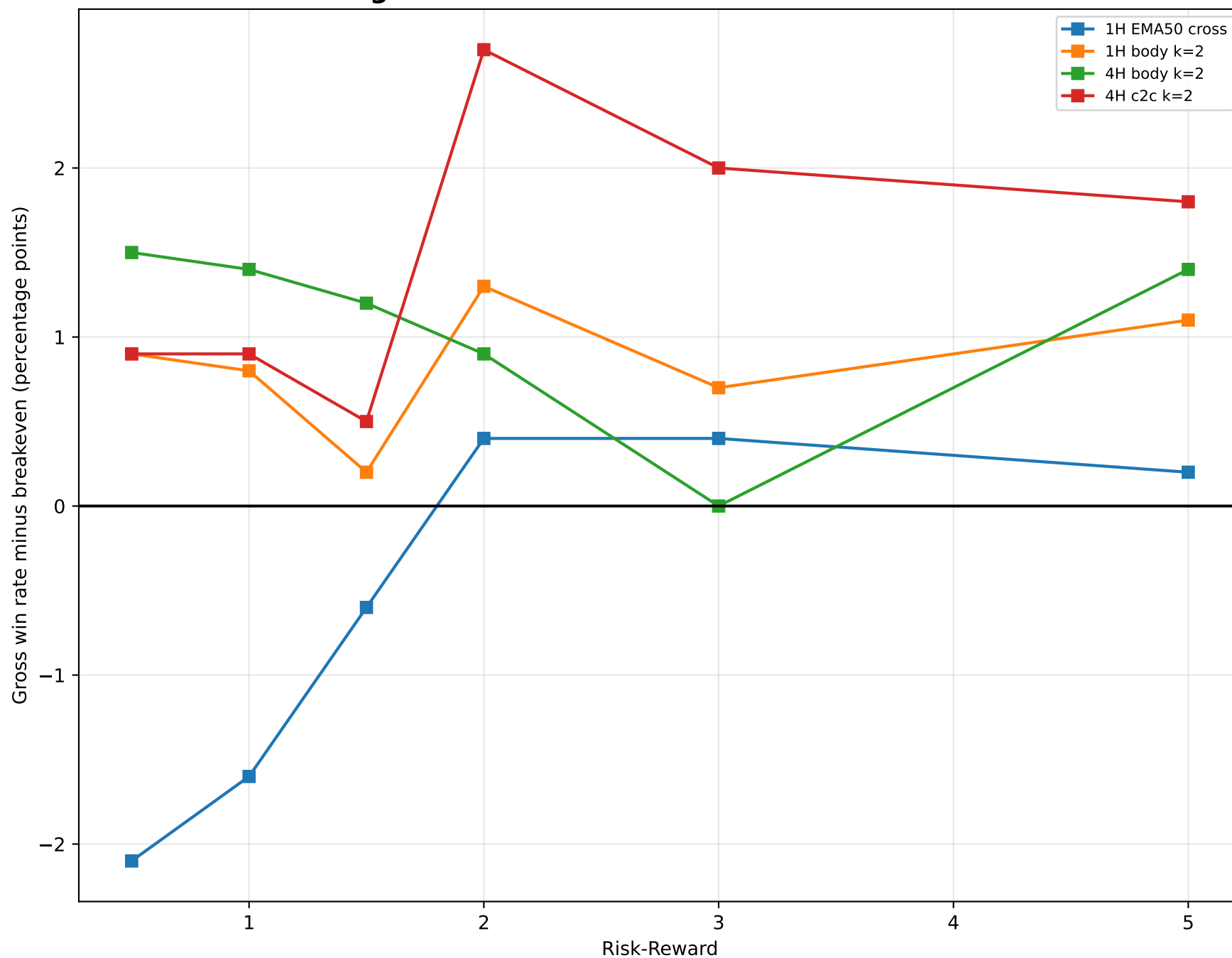
Edge pp = observed win rate minus breakeven. GrossEdge is the same before costs -- the cleanest read on entry quality.

Entry	RR	Trades	Win%	BE Win%	Edge pp	GrossWin%	GrossEdge	E[R]net	E[R]gross	t	CAGR%	MaxDD%
1H EMA50 cross	0.5	1699	62.9	66.7	-3.8	64.6	-2.1	-0.088	-0.031	-4.83	-8.88	-79.5
1H EMA50 cross	1.0	1580	47.0	50.0	-3.0	48.4	-1.6	-0.095	-0.038	-3.7	-9.1	-79.8
1H EMA50 cross	1.5	1478	38.4	40.0	-1.6	39.4	-0.6	-0.08	-0.026	-2.47	-7.51	-75.5
1H EMA50 cross	2.0	1410	32.9	33.3	-0.4	33.8	0.4	-0.055	-0.001	-1.45	-5.42	-71.6
1H EMA50 cross	3.0	1303	25.0	25.0	0.0	25.4	0.4	-0.043	0.003	-0.88	-4.44	-66.0
1H EMA50 cross	5.0	1079	16.5	16.7	-0.2	16.9	0.2	-0.054	0.0	-0.79	-4.97	-73.4
1H body k=2	0.5	1335	66.7	66.7	0.1	67.6	0.9	-0.01	0.016	-0.52	-1.02	-39.6
1H body k=2	1.0	1214	50.2	50.0	0.2	50.8	0.8	-0.009	0.016	-0.32	-1.06	-49.8
1H body k=2	1.5	1124	40.1	40.0	0.1	40.2	0.2	-0.012	0.003	-0.33	-1.34	-41.1
1H body k=2	2.0	1033	34.2	33.3	0.8	34.6	1.3	0.008	0.035	0.18	-0.13	-39.5
1H body k=2	3.0	902	25.4	25.0	0.4	25.7	0.7	-0.004	0.02	-0.07	-1.03	-41.6
1H body k=2	5.0	679	17.7	16.7	1.0	17.8	1.1	-0.04	-0.018	-0.33	-4.01	-69.5
4H body k=2	0.5	550	67.8	66.7	1.2	68.2	1.5	0.025	0.037	0.76	0.73	-16.8
4H body k=2	1.0	469	51.0	50.0	1.0	51.4	1.4	0.026	0.041	0.53	0.59	-19.1
4H body k=2	1.5	419	40.8	40.0	0.8	41.2	1.2	0.021	0.037	0.34	0.33	-24.1
4H body k=2	2.0	370	33.5	33.3	0.2	34.2	0.9	0.004	0.033	0.06	-0.14	-31.0
4H body k=2	3.0	278	25.2	25.0	0.2	25.0	0.0	0.001	0.001	0.01	-0.24	-29.3
4H body k=2	5.0	205	18.0	16.7	1.4	18.0	1.4	0.057	0.064	0.35	0.39	-30.6
4H c2c k=2	0.5	448	67.0	66.7	0.3	67.6	0.9	0.015	0.031	0.41	0.33	-15.4
4H c2c k=2	1.0	388	50.3	50.0	0.3	50.9	0.9	0.011	0.031	0.2	0.13	-18.2
4H c2c k=2	1.5	351	39.9	40.0	-0.1	40.5	0.5	-0.001	0.021	-0.01	-0.19	-22.8
4H c2c k=2	2.0	312	34.9	33.3	1.6	36.0	2.7	0.048	0.087	0.57	0.71	-18.5
4H c2c k=2	3.0	249	26.9	25.0	1.9	27.0	2.0	0.07	0.082	0.61	0.83	-22.4
4H c2c k=2	5.0	185	18.4	16.7	1.7	18.5	1.8	0.075	0.089	0.44	0.55	-29.2

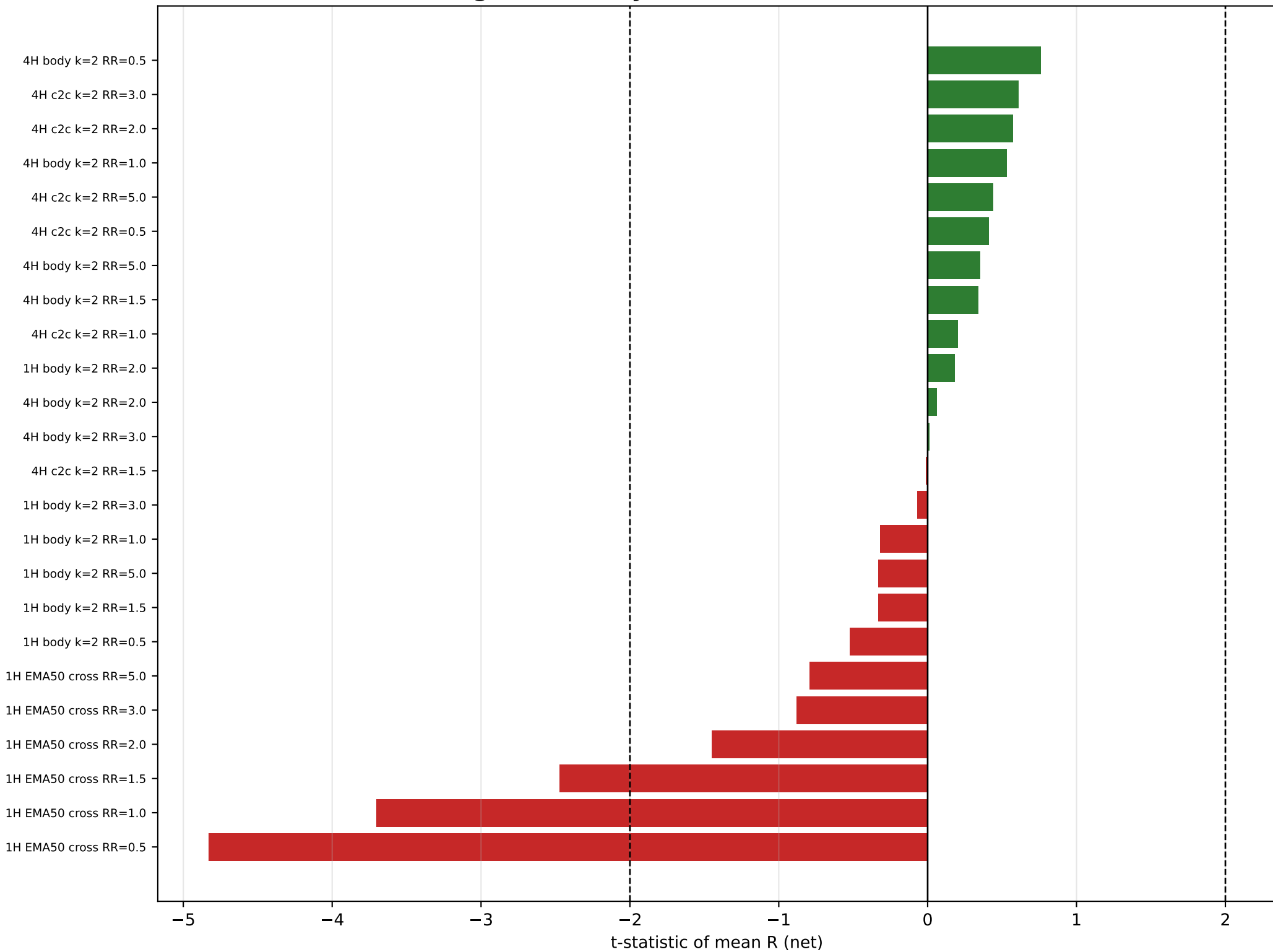
Observed GROSS win rate vs theoretical breakeven



Gross edge over breakeven - zero means no information



Significance by cell - dashed lines at ± 2



Verdict

SUMMARY

cells	:	24
gross edge > 0	:	20
gross edge > +2pp	:	1
net E[R] > 0	:	12
t >= 2	:	3
positive AND t >= 2	:	0

mean gross edge	:	+0.70 pp
median gross edge	:	+0.90 pp
best gross edge	:	+2.70 pp
worst gross edge	:	-2.10 pp

A gross edge clustered around zero at EVERY risk-reward means the target was never the binding constraint -- the entry simply carries no directional information.