

What Is an Expert Advisor (EA) or Indicator?

Introduction

In MetaTrader 5 (MT5), two key tools help traders work smarter: Expert Advisors (EAs) and Indicators. EAs handle automation. Indicators provide analysis. Understanding both is essential for any beginner trader.

1) Expert Advisor (EA)

An Expert Advisor (EA) is a programmed trading robot that can execute trades automatically based on a defined set of rules written in MQL5.

- Open or close trades automatically
- Set and manage Stop Loss / Take Profit
- Apply money and risk management (fixed lot or risk %)
- Monitor multiple symbols and timeframes

Example: Buy EUR/USD when the 50-period moving average crosses above the 200-period moving average, and sell when the opposite occurs - the EA handles order placement and exits.

2) Indicator

An Indicator is a mathematical tool that analyzes price, volume, or volatility to support decision-making. Indicators do not place trades; they provide visual signals or values for the trader (or an EA) to use.

- Show trends and momentum (e.g., Moving Average, MACD)
- Identify overbought/oversold conditions (e.g., RSI)
- Highlight potential entry/exit zones
- Confirm signals before execution

Example: RSI above 70 can indicate an overbought market; below 30 can indicate oversold conditions.

3) Key Differences

Purpose:

What Is an Expert Advisor (EA) or Indicator?

EA: Automates trading actions | Indicator: Provides analysis/visual signals

Execution:

EA: Places and manages trades | Indicator: No order placement

Operation:

EA: Runs continuously per logic | Indicator: Displays values/overlays

Language:

Both are written in MQL5

4) How They Work Together

- Indicators detect opportunities or conditions (signals).
- The EA acts on those signals automatically according to your rules.
- Together they provide discipline, speed, and consistency.

5) Benefits

- Saves time by automating repetitive tasks
- Removes emotional bias in execution
- Ensures consistent strategy application
- Provides real-time market insight
- Monitors multiple charts simultaneously

6) Tips Before You Start

- Test on a demo account before going live
- Understand the EA rules and risk controls
- Avoid over-optimization (curve fitting)
- Track performance and refine parameters over time

Summary

An EA is your trader - executing logic hands-free. An Indicator is your analyst - interpreting market conditions. Used together, they bring structure, precision, and



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discipline to your MT5 trading.

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