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## Bullish Belt Hold

By ADAM HAYES Updated August 27, 2021

### What Is a Bullish Belt Hold?

A bullish belt hold is a single-day Japanese [candlestick](#) pattern that suggests a possible [reversal](#) of the prevailing downtrend.

The pattern forms when, following a stretch of bearish trades, a bullish or white candlestick occurs. The opening price, which becomes the low for the day, is lower than the close of the previous day. The stock price then rises throughout the day, resulting in a long white candlestick with a short upper shadow and no lower shadow.

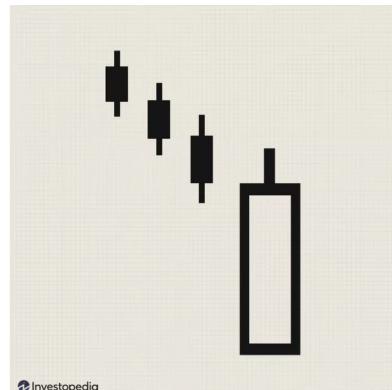
It can be contrasted with a [bearish belt hold](#).

#### KEY TAKEAWAYS

- A bullish belt hold is a pattern that can signal a reversal in investor sentiment from bearish to bullish.
- Bullish belt holds are easy to spot, but the signals must be confirmed. Its reliability is enhanced if it forms near a support level.
- The bullish belt hold can be found across all time frames but is most useful in daily and weekly charts.

### Understanding a Bullish Belt Hold

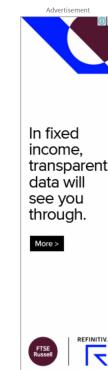
The candle, similar in appearance to a white [Marubozu](#), opens at the low of the period and subsequently rallies to close near its high, leaving a small shadow at the top of the candle. The pattern surfaces after a stretch of bearish candlesticks in a downtrend. The candle's opening price is significantly lower than the previous day's low. The pattern closes well into the body of the previous candle, holding price from falling further, hence the name "belt hold."



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The bullish belt hold, known as *yokinri* in Japanese, often signals a shift in investor sentiment from [bearish](#) to [bullish](#). This candlestick pattern occurs frequently and shows mixed results in predicting a security's future price. The potency of the candlestick is enhanced if it forms near a support level, such as a [trend line](#), a [moving average](#), or at market [pivot points](#).

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As with any other candlestick [charting pattern](#), traders should consider more than just two days of trading when making predictions about trends. The bullish belt hold can be found across all time-frames but is more reliable on the daily and weekly charts as more traders are involved in its formation.

### Trading the Bullish Belt Hold

Like most Japanese candlestick patterns, traders should not trade the bullish belt hold in isolation. Using other [technical indicators](#) and price patterns greatly increases the probability of a valid signal.

For example, the bullish belt hold may open below a previous swing low and close back above that point to form a potential [double bottom](#). The bullish belt hold should be a long white (or green) candlestick to indicate that the bulls have taken back control. Ideally, the candle preceding the pattern should be accompanied by above-average volume to indicate climactic selling and a possible reversal to the upside.

**Important:** The bullish belt hold is not considered very reliable as it is often incorrect in predicting future share prices.

On occasions, the bullish belt hold can be a mere pause in the overall [downtrend](#), therefore, it is prudent that traders wait for the price to confirm the pattern. An entry should only be taken when the price trades above the high of the belt hold candlestick.

Conservative traders may want to wait for a close above the high of the pattern. If the bullish belt hold candlestick is long, traders could place a [stop-loss order](#) at its midpoint. Alternatively, traders could set a stop below the pattern. Although this requires a wider stop, there is less chance of market noise interfering with the trade.

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