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## Stalled Pattern

By WILL KENTON Updated November 27, 2020

Fact checked by HANS DANIEL JASPERSON

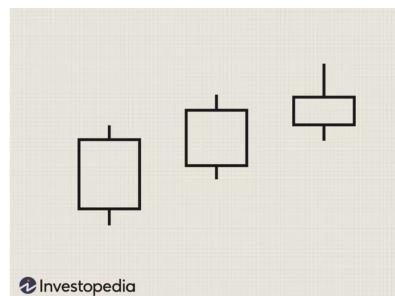
### What is a Stalled Pattern

A stalled pattern is a [candlestick](#) chart pattern that occurs during an uptrend, but indicates a likely [bearish](#) reversal. It is also known as a deliberation pattern.

Candlestick charts are price charts that show the open and closing prices of a security, as well as their highs and lows for a specific period. They get their name from the way the illustrations in the chart resemble candles and their wicks.

A stalled pattern indicates indecision in the market. It may suggest a limited ability for traders turn a quick profit through short-term trades.

### Understanding Stalled Patterns



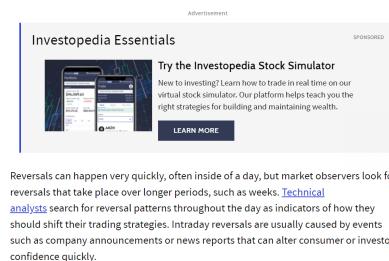
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A stalled pattern does not necessarily indicate a bearish reversal. However, when the candle following a stalled pattern moves below the middle of the second candle's real body, a bearish reversal is likely. Traders often see this as an indication that they should consider cutting their losses.



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Reversals can happen very quickly, often inside of a day, but market observers look for reversals that take place over longer periods, such as weeks. [Technical analysts](#) search for reversal patterns throughout the day as indicators of how they should shift their trading strategies. Intraday reversals are usually caused by events such as company announcements or news reports that can alter consumer or investor confidence quickly.

A bearish, or a downward trend is indicated by a series of lower highs and lower lows. Once bearish, a market can reverse into an [uptrend](#) when both the highs and lows begin to move higher.

### Understanding Candlestick Charts

A stalled pattern chart consists of three white candles and must meet a specific set of criteria. First, each candle's open and close must be higher than that of the previous candle in the pattern. Second, the third candle must have a shorter [real body](#) than the other two candles. Finally, the third candle must have a tall upper shadow, and an open that is near the close of the second candle.

The wide part of the candle in the chart is called the real body. It shows the range between the opening and the closing price of a security over a specific time period. If the real body is black or red, the stock closed lower than it opened. If it is white or green, the stock closed higher.

Investors and observers can also look for reversals in future candles that follow the stalled pattern. One indicator of such a reversal is [bearish engulfing](#).

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#### Three Stars in the South

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#### Ladder Bottom/Top Definition

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