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Bullish Harami

By JAMES CHEN Updated August 18, 2021

Reviewed by GORDON SCOTT

What Is a Bullish Harami?

A bullish harami is a basic candlestick chart pattern indicating that a bearish trend in an asset or market may be reversing.

KEY TAKEAWAYS

- A bullish harami is a candlestick chart indicator used for spotting reversals in a bear trend.
- It is generally indicated by a small increase in price (signified by a white candle) that can be contained within the given equity's downward price movement (signified by black candles) from the past couple of days.

Understanding a Bullish Harami

A bullish harami is a candlestick chart indicator suggesting that a bearish trend may be coming to end. Some investors may look at a bullish harami as a good sign that they should enter a long position on an asset.

A [candlestick chart](#) is a type of chart used to track the performance of a security, named for the rectangular shape depicted in the chart, with lines protruding from the top and bottom, which resembles a candle and wicks. A candlestick chart typically represents the price data of stock on a single day, including [opening price](#), [closing price](#), high price, and low price.

Investors looking to identify harami patterns must first look for daily market performance reported in candlestick charts. Harami patterns emerge over two or more days of trading, and a bullish harami relies on initial candles to indicate that a downward price trend is continuing, and that a [bearish market](#) looks to be pushing the price lower.

The bullish harami indicator is charted as a long candlestick followed by a smaller body, referred to as a doji, that is completely contained within the vertical range of the previous body. To some, a line drawn around this pattern resembles a pregnant woman. The word harami comes from an old Japanese word meaning pregnant.

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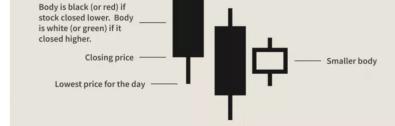
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For a bullish harami to appear, a smaller body on the subsequent doji will close higher within the body of the previous day's candle, signaling a greater likelihood that a [reversal](#) will occur.

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The chart above depicts a bullish harami. The first two black candles indicate a two-day downward trend in the asset, and the white candle represents a slightly upward trend on the third day, which is completely contained by the body of the previous candle.

Investors seeing this bullish harami may be encouraged by this diagram, as it can signal a reversal in the market.



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Bullish Harami, Bearish Harami, and Advanced Candlestick Patterns

Analysts looking for fast ways to analyze daily market performance data will rely on patterns in candlestick charts to expedite understanding and decision-making.

While the bullish harami and its counterpart, the [bearish harami](#), serve to predict upcoming reversals in the trending direction of prices, candlestick chart analysis offers a wide range of patterns to predict future trends. Bullish and bearish haramis are among a handful of basic candlestick patterns, including bullish and bearish crosses, evening stars, rising threes, and engulfing patterns. A deeper analysis provides insight using more advanced candlestick patterns, including island reversal, hook reversal, and san-ku or three gaps patterns.

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Bearish Harami Definition

A bearish harami is a two bar Japanese candlestick pattern that suggests prices may soon reverse to the downside. An uptrend precedes the formation of a bearish harami. [more](#)

What Is a Doji Candle Pattern?

A doji is a name for a session in which the candlestick for a security has an open and close that are virtually equal and are often components in patterns. [more](#)

Unique Three River Definition and Example

The unique three river is a candlestick pattern composed of three specific candles, and it may lead

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to a bullish reversal or a bearish continuation. [more](#)

Harami Cross Definition and Example

A harami cross is a candlestick pattern that consists of a large candlestick followed by a doji. Sometimes it signals the start of a trend reversal. [more](#)

White Candlestick Definition

A white candlestick depicts a period where the security's price has closed at a higher level than where it had opened. [more](#)

Ladder Bottom/Top Definition

Ladder bottom/top are reversal patterns composed of five candlesticks that may also act as continuation patterns. [more](#)

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