



Chart of the Day

The S&P is down bigly after the tariffs were announced

April 2, 2025

Dan discussed the impact of tariffs on the stock market, noting that the market had anticipated the tariffs and reacted accordingly, but experienced a significant downturn when the tariffs were revealed. He suggested that if the S&P 500 gaps down, it could lead to a snapback and advised against shorting the market in such situations. Dan emphasized the importance of going against the grain and waiting for the bulls to return.

Next Steps:

1. Traders to avoid shorting the S&P if it gaps down at the open, as a snapback rally is likely.
2. Traders to monitor market reaction in the first 5-10 minutes before making trading decisions.
3. Traders to look for signs of a reversal if the S&P gaps down significantly.
4. Traders to avoid panic selling in response to negative headlines, as the market may recover.
5. Traders to focus on price action rather than news sentiment when evaluating trade setups.
6. Traders to practice patience and discipline, waiting for clear trade signals before entering positions.

Transcript:

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00:00:01.940 --> 00:00:29.979

Dan Fitzpatrick: Okay, everybody. Dan Fitzpatrick here, stockmarketmentor.com. And I'm going to really mentor you pretty easily today. This is not a market that you want to be farting around with. I just kind of went into a bit of detail in our premium strategy session about tariffs. And but I'll just make it brief. Nobody truly knows what the effect is going to be, even when you know what the tariffs are.

2

00:00:30.270 --> 00:00:49.779

Dan Fitzpatrick: and trump laid it all out. I wasn't really watching. I had other stuff to do. But I kind of know the broad strokes, even if you know all the intricacies that doesn't give you much of an edge, and the reason is because we don't know what the reaction to the tariffs is going to be

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00:00:49.780 --> 00:01:04.079

Dan Fitzpatrick: on the other side. I'll just say this, it's a very, very complicated thing, and anybody who tries to simplify it or dumb it down is probably doing you a disservice. So

4

00:01:04.470 --> 00:01:21.550



Dan Fitzpatrick: I just want to look at the S. And P. This is where it was today, and of course everybody's anticipating everybody's anticipating the tariffs, and the market traders felt good enough about it to bump the S. And P. Up

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00:01:21.550 --> 00:01:38.340

Dan Fitzpatrick: to higher than it was yesterday, and even higher than it was the day before, as far as closing. So this was a pretty, a fairly confident market on volume heavier than average. And so the market had.

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00:01:38.810 --> 00:01:43.410

Dan Fitzpatrick: as I see it, they'd kind of priced in an okay.

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00:01:43.840 --> 00:02:05.210

Dan Fitzpatrick: an okay tariff situation. And then, when it was actually revealed, boom, we get this big move down. And you could actually see, like, where? Where did he start talking? I think he started talking back here, and then at some point, he comes out with the goods, and then we get some big slam down here. Now

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00:02:05.550 --> 00:02:15.099

Dan Fitzpatrick: I look at this level I look at tonight's and I'll look at the S. And P. As opposed to the spider. But I look at this level here.

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00:02:15.640 --> 00:02:21.019

Dan Fitzpatrick: let's see the lowest 5, 42, 10. So if I I'll do this.

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00:02:21.170 --> 00:02:23.629

Dan Fitzpatrick: I'll do 5, 42, 10.

11

00:02:23.930 --> 00:02:32.459

Dan Fitzpatrick: Okay. So I see that really, as the low for tomorrow I could be wrong.



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00:02:32.830 --> 00:02:48.319

Dan Fitzpatrick: But this is what I can see happening overnight. All of this stuff is going to be factored in, to some extent at least, what the market thinks. But what would be really cool is if we saw the S. And P.

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00:02:48.620 --> 00:02:52.390

Dan Fitzpatrick: Gap down and trade even lower.

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00:02:52.930 --> 00:03:15.379

Dan Fitzpatrick: If it does that, I'm telling you you're going to see a snap back because we've already had a big move already. So if the S. And P. Gaps down, don't be shorting this. That's the obvious thing to do is short. The market. Oh, these tariffs, guys! That train has already left the station

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00:03:15.530 --> 00:03:21.089

Dan Fitzpatrick: all right, and if you're trying to catch that train, just think about Yellowstone

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00:03:21.290 --> 00:03:27.900

Dan Fitzpatrick: going out to the train station. Okay, that can be you. So if we look at the S. And P.

17

00:03:28.460 --> 00:03:55.809

Dan Fitzpatrick: You'll you don't see this because this is the S. And P. On Tc. 2,000, anyway. Doesn't trade after hours. But if you see this go down tomorrow, I think you're seriously going to see the same thing. If this is a big gap down tomorrow. Watch for a move not like that, but watch for a move higher in these really really negative markets like this, when bad news comes out after hours

18

00:03:57.280 --> 00:04:18.190

Dan Fitzpatrick: going with the flow the following morning is typically not the thing you want to do. You must trust me on that. This is not the thing you want to do. You're going with the flow that's going to get you killed. You want to actually be going against the grain. You want to be going against the grain.



19

00:04:18.529 --> 00:04:30.810

Dan Fitzpatrick: and if you can do that, if you can just steal yourself to say, Okay, oh, my God! You know the market's down. Horrible! This is ugly. I got to get out of everything. I want to short the market.

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00:04:31.170 --> 00:04:37.750

Dan Fitzpatrick: Just wait about 5 min, and you'll wind up seeing things snap back the other way. So, by the way.

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00:04:37.950 --> 00:04:50.962

Dan Fitzpatrick: this isn't a prediction, it's just what I've seen throughout the years. I've been doing this a long time, and because because I have been doing this a long time, I can tell you that I've been wrong a lot. So

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00:04:51.460 --> 00:05:07.680

Dan Fitzpatrick: But that's my best shot at it. If the market gaps down a lot tomorrow, don't short the market, just let it settle out. Wait for the bulls to come back in, because I promise you they will. Okay, that's all I got for you. I will see you tomorrow.