



## Chart of the Day I Don't trust the Earnings reactions on \$HOOD

May 1, 2025

Scott reviewed Robinhood (ticker: HOOD) following its latest earnings announcement, which was positive. However, he emphasized the stock's history of unpredictable and often contradictory reactions to earnings reports—sometimes selling off after strong results or rallying after weak ones. The current pattern shows a downside reversal on heavier-than-average volume, which he notes is not technically encouraging. Still, Scott remains open to a potential recovery, setting an alert at \$51.29 to signal renewed strength. He cautioned against trusting the initial earnings reaction and suggested waiting for confirmation of upward momentum before entering a trade.

### Next Steps:

1. Members to review the training session recording if they missed it during the day.
2. Traders to avoid reacting impulsively to Robinhood's earnings move and instead monitor for confirmation of strength.
3. Investors to watch for a break above \$51.29 as a potential buy signal.
4. Traders to be cautious of downside reversals on heavy volume, as seen in Robinhood's recent action.
5. Investors to look for a potential rebound pattern similar to Robinhood's historical post-earnings behavior.
6. All participants to remain disciplined and avoid making decisions solely based on headline earnings results.

### Transcript:

0:03: Hey everyone, it's Scott at Scottrades on Twitter with stock market mentor.com and your chart of the day.

0:11: Wanna take a look at Robin Hood?

0:12: This is ticker HOOD.

0:15: Now, Robin Hood announced earnings last night, and the green box on trading view here says it was positive, and I did listen to some analysts today saying They liked Robin Hood's earnings.

0:28: But here's the thing with Robin Hood and earnings.

0:32: The typical earnings reaction from Robin Hood is usually the opposite of what the stock normally does.

0:39: Now, I'm not saying that is gonna happen here, but if I go back here in the past and just look, Robin Hood has had some bizarre.

0:48: Earnings reactions, you know, every now and again it'll get a normal one, but for the most part, the earnings reactions are, are just strange.

0:56: Even back here in 2023, positive earnings reaction.

1:00: OK, yeah, they missed some stock gaps down, holds under the moving averages, and then, you know, a couple weeks later it just rips to new highs.

1:08: Earnings here, gap up, holds up.

1:11: OK, normal reaction goes higher.

1:14: Earnings here.

1:15: Downside reversal, sell off under the 50 day moving average.



1:19: A couple days later, rips to new highs.

1:22: Here's another one.

1:23: No real reaction.

1:24: Stock had already sold off.

1:26: Here's another one.

1:28: Negative earnings reaction pulls back to the 50 day moving average.

1:32: Within 4 days, the stock is back at a new high.

1:35: So negative earnings, bit of a sell-off, new high.

1:39: Positive earnings here in, Wednesday, February 12th.

1:43: What happens?

1:44: Stock gaps.

1:45: 3 days later, making a new low.

1:48: And so it's just really one of those stocks where you can't trust the initial earnings reaction to tell the whole story because you get these mixed reactions.

1:57: Good earnings, a bit of a sell-off, negative earnings, new, you know, rips to new highs.

2:02: So it's just a bizarre stock in that way.

2:04: And so I'm looking at this.

2:06: right now, noting that it sold off after printing positive earnings.

2:12: Looks like a surprise on both ends.

2:15: Great, but the stock was unable to get going and so we have a downside reversal and a close near the lows coming on heavier than average volume.

2:24: Now, any technical analyst will tell you that is not a good look.

2:28: And I'm telling you that right here.

2:30: This is not a good look.

2:31: But what I would like to see from Robin Hood is a potential move above this bar.

2:37: Let's get above today's high, just around 5130 and see if this stock can recover, even if it's not tomorrow, maybe next week sometime, where the stock flounders down here, you know, pulls back to the 50 day moving average, kind of does this, and then whoosh, you know, we'll look for that new high through there.

2:57: Because that's how it has traded in the past, even when they had negative earnings.

3:02: So I'm not really trusting this earnings reaction, but I do want to keep an eye on the stock because they did have positive earnings.

3:10: So I'm gonna set an alert right here at 5129.

3:14: And if this stock can get above and stay above 5129, I think this is a buy.

3:20: So that's just one of many stocks we're looking at tonight at [Stockmarketmentor.com](http://Stockmarketmentor.com).



3:25: I hope that video's helpful.

3:26: I'll see you next time.