



Chart of the Day Here's the trade we made on Robinhood (\$HOOD)

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Dan from StockMarketMentor.com walked through a recent trade setup in Robinhood (HOOD), highlighting an inverse head and shoulders pattern that had been forming over the past several days. He explained how the team entered the trade slightly late but still effectively managed the position as it moved higher. Dan emphasized the importance of recognizing and acting on clear technical patterns and showed how preparation and pattern recognition can lead to confident trade execution, even if the entry isn't perfectly timed.

Next Steps:

1. Members to review the training session recording if they missed it during the day.
2. Traders to revisit the Robinhood (HOOD) chart to study the inverse head and shoulders pattern.
3. Investors to take note of how late entries can still be effective with proper risk management.
4. Traders to focus on identifying and preparing for similar technical setups in advance.
5. Members to practice chart annotation to improve pattern recognition skills.
6. All participants to stay focused on process-driven trading rather than perfect timing.

Transcript:

0:03: Dan Fitzpatrick here, stockmarketmentor.com.

0:06: And I wanna show you a, a trade that we, if, if you're a member, you know this already, but if you're just on our, our free list, that's fine too.

0:14: But I wanna show you a trade that, that we made on Robin Hood, where we got a little bit of a late entry, but it didn't really matter.

0:23: so I wanna show you this and, and how we, manage this on Monday.

0:30: May 12th, when the market opened up, so, this is the deal.

0:35: So this is where the stock was on the 6th, and I've been talking about for a while, while you see I've I've had these, had drawn these, circles for a while talking about this inverse head and shoulder pattern, this would have been the, the top like the middle part of the W, you know, down here.

0:55: Up there and then back down and then up here and then wherever you want to put the end of the W here or there doesn't matter, but the bottom line is it's a lower low, lower low still and then a higher low so we get this inverse head and shoulder pattern, which is a bullish pattern, typically in this case it would be more of a continuation move.

1:17: This was a massive distribution as we saw with so many stocks since the highs.

1:23: This was particularly.

1:26: Notable, but the uptrend remains intact.

1:29: You can see the 200 day moving average drifting up, continually.

1:33: So even though this had this big massive correction, if you're just, if you're really looking at this from a standpoint of is this still in a secular up trend or is this a complete reversal at this point.

1:50: Frankly, you really don't know yet.

1:53: it'd be nice if we had predictive powers, but we don't.



1:56: So peaks up here falls down below the 50 doesn't hit the 200, but still there's a massive break, and then this comes back up here to test the 50 and that fails by the way, this would just so you know, little inside baseball, this was the day.

2:14: Where a short position could be taken, I, I wasn't shorting stocks, so don't, don't think I'm saying I did take it.

2:20: I didn't, but this is from just from a chart and trading standpoint when a stock breaks down like this just gets crushed and then comes back and tries to regain the 50 day moving average and then it doesn't.

2:35: Then what you do is you go ahead and short the stock.

2:39: I don't know, anywhere if you're hopefully you're watching it intraday and you go, OK, well, crap, this thing tried to get up and it couldn't here.

2:45: So you're shorting the stock right around 47, 50-ish, something like that, and then you're gonna keep your buyop just above this prior days.

2:55: This prior day high of 4988, so we'll say like \$50.01 or something like that.

3:03: So that's how you would have made a short on this broken stock.

3:08: But it continues to go to fall down lower low, and by the way, you could say, oh what about the 200 day moving average same situation well same set up, but it didn't work here the stock falls below the 200 and then immediately regains it, whereas here it didn't.

3:26: There's all this other stuff that I could be talking about in that, and I will be showing you a lot of this stuff in an upcoming class which I'm sure.

3:34: You are going to come to by the way we'll put in this email a link to the registration for a class that I'm teaching next next Tuesday hell, it's tomorrow tomorrow on an introduction to.

3:51: Smart trading that's my methodology of trading.

3:54: So hopefully, you'll check that out and you can always just go to our home page and find it there anyway, I digress.

4:00: So we come up here, now, we're at on the 14th of last month, so it's close to about a month ago and then we get to move lower and then finally we're up here.

4:12: So this is when you gotta start looking at this saying 3 days in a row of green.

4:19: Close to this 50, I need to start watching this here.

4:23: OK, glad I didn't buy it, like it's trading isn't that precise, and then.

4:29: This just kind of flutters around here for a while and I'm saying guys we need to wait and see watch this because we're I don't wanna trade before the breakout but once the stock gets above here then we wanna be snagging it so now we get this on Thursday, right?

4:48: And so what was I doing?

4:50: Well, to be honest with you, I was at the shooting range, requalifying for my CCW out here in California because that's what we all do in Orange County.

5:00: And so I missed this trade.

5:01: A lot of our traders didn't.

5:02: They caught it and the next day it's up here and I'm saying, you know what?

5:08: screw it, let's do it.



5:10: we're still OK, to be buying on the following day because, because of this pattern.

5:16: Now, ultimately.

5:18: I think this winds up going to 65, not in a straight line, but that's really what this thing is looking like to me.

5:27: This is not even the point of my video.

5:31: The point of my video here is to stress the idea of taking profits when you have them.

5:37: You can see the stocks up by 4.5% even now, but it opened.

5:46: Like what?

5:47: 8%?

5:48: It opened 8%, over 8% above Friday's close, and then at one point it had fallen from the high 5.5%. So if you just sat here on a position that you had and just said, well, I'll just, I, I'll just let it work.

6:08: That's fine.

6:08: You can do that.

6:09: I think the stocks ultimately going higher, but you gave up 5.5% on the downside.

6:15: And if you're just talking about the profit that you had.

6:21: You've given up half of your gains, probably more so on a percentage basis.

6:26: So the point is on something like this, you gotta be selling into strength.

6:33: You don't have to take it all off the table.

6:35: You see what I had done this morning.

6:37: I actually got everybody online at the open so we could do this kind of thing.

6:42: Where we look for the stock.

6:46: Look at the stock here daily chart 15 minute, 5 minute, 1 minute, forget about the 1, so we'll set this at 5, we'll set this at 10, we'll set this at 15 is fine, and you could see like right from the get go, stock opens up and virtually immediately starts trading off.

7:04: That's when I had mentioned to our our folks online, go ahead and take some profits here take this off the table and then the rest of the day here this has been trading below the volume weighted average price it's getting kind of close together, but it's noon time that's what happens so.

7:23: The, the gist of this video of the message that I'm giving you is when you have this kind of big move higher, even if you're a longer term investor.

7:35: Turn into a trader for a minute.

7:38: Don't you don't have to take it all off the table, but you do want to take some of it off the table.

7:43: So put on your trader's hat, book some profits and say, Mr.

7:48: Market, thank you very much.

7:50: I'm gonna keep some, take that on the road.

7:52: Can we box this up?

7:55: and then you've got a lower cost basis.



7:57: And the stuff that you have left, but you've also got not just the monetary reward but the emotional and mental reward of having made a good trade.

8:08: So whether you are a short term trader or a longer term investor, and I know a lot of people, typically people with more money.

8:17: , are gonna be looking at stuff like this and saying, well, I just, I'm just holding this for the long term.

8:22: I don't really, I'm not really interested in day trading.

8:25: That's fine, that's fine, but you still need to know you want to know certain things so that you can be taking advantage of market movements, right?

8:34: You wanna learn to be a victor, not a victim when markets turn around so much.

8:39: So anyway, that's all I got for you and watch for an email or two on.

8:46: , for information on my workshop, tomorrow night, I wanna make sure you show up and if you do, if you don't, you missed out.

8:55: I'll just tell you that.

8:56: But if you do show up, I'm just gonna tell you this, you need to stay right till the end because I've got something for you right at the end, but if you don't stay right at the end.

9:08: Then you're not gonna get it.

9:09: All right, I'll see you later.