



## Chart of the Day Here's a great trade idea on Spotify (\$SPOT)

May 16, 2025

Dan highlighted Spotify's (SPOT) bullish chart formation, noting its recovery after a steep decline and recent two-day reversal. He described how the stock is shaping into a "W" pattern, a common reversal signal, and emphasized that it now appears ready to move higher. Dan pointed out the importance of recognizing these setups early and aligning trades with clear technical patterns rather than market noise. He also encouraged traders to remain attentive to volume and follow-through strength.

### Next Steps:

1. Members to review the training session recording if they missed it during the day.
2. Traders to monitor Spotify (SPOT) for confirmation of the "W" pattern breakout.
3. Investors to assess SPOT's relative strength as it approaches resistance.
4. Traders to wait for strong volume and price follow-through before entering new positions.
5. Investors to evaluate risk-reward levels and define stop-loss points before trading SPOT.
6. All participants to remain focused on pattern-based setups and disciplined execution.

### Transcript:

0:01: I'm Dan Fitzpatrick at Stockmarketmentor.com and here's a little video for Friday the 16th.

0:09: OK, Spotify really, really looks like it's ready to roll.

0:14: You can see where the stock peaked, last, last February.

0:19: OK, fell down to this level, really got kind of crushed like everybody else, on in March and then we had this two day reversal.

0:28: I remember mentioning that right basically when it happened or shortly, thereafter to kind of point out what's going on, a stock comes up, this is like a V.

0:39: And then it comes back down.

0:42: And then it runs up.

0:43: OK.

0:44: So you get the V here, then it comes back down.

0:47: Now it's starting to run up and it's starting to kind of look like a W, right?

0:52: With the middle part of the W right here, which is exactly kind of what happened.

0:58: the stock breaks out above 610.

1:01: now it's up like what?

1:03: 36.

1:05: Bucks higher than that.

1:06: OK, that's fine, but and this is a real good chart analysis.

1:11: It kind of walks you through things.



1:13: However, the reason I'm, I'm pointing this out is because there's kind of a different pattern here that, that could also be in play.

1:23: You can look at this as a double bottom.

1:26: This was a deep double bottom if you're just looking at where it was relative to the 50 day moving average, but really it was just kind of right at the same, at the same level.

1:37: But I could also make an argument.

1:40: Where this is, it's kind of like a cup type of a formation here high and then it falls down kind of forms a pretty volatile and choppy base here but it's a base and then it's starting to run up the right side but then over the last week and a half or so, it's formed this little tight sideways consolidation.

2:03: You'll see that a lot.

2:04: It's kind of like one last shake out.

2:08: He was.

2:09: This was a big shake out.

2:10: Look at the volume.

2:12: OK, let me get rid of that big one.

2:14: OK, so this is a big shakeout.

2:16: You see the volume comes back down.

2:18: This was a big shake out to, higher volume here than typical, but not as high as back here.

2:25: So this was a higher, a, a higher low, lower volume, shake out.

2:32: And then finally, this one here and this was on earnings.

2:35: So the company reports earnings, traders don't like it.

2:39: They sell down the stock and then it virtually immediately moves higher and so after this, then I look at this and this is literally the way I see it, it's kind of like the last shake out you're gonna tend, to see.

2:54: So in my view, if we see a breakout above 660, I'll go ahead and set this.

3:00: , alert just for me.

3:02: if we see a breakout above 660, you, you could actually see the stock if you really just wanted to be dogmatic about it, you could see the stock, I could see the stock going up, 150 more points.

3:15: , and with the \$650 stock, it's really kind of not beyond, the realm of reason.

3:23: It'd be up at like \$800.

3:25: I, I could make that argument, but right now, we'll just look at it this way.

3:29: If this breaks out, that's about a \$50 delta between this high here and that low.

3:37: So if it breaks out above here, look for 710.

3:41: That would be my trade anyway so that's all I got for you one thing, by the way, sorry about this, I'm doing something else at the same time.

3:50: So, anyway, one thing that I'm doing next Tuesday is I'm teaching a class it's like an intro class on my smart trading methodology SMART.



4:04: I want you there, it's free.

4:05: , it's a little after the market closes on Tuesday and you will be getting a link if you haven't already to register and you got to register for that.

4:14: It's gonna be heavily attended.

4:16: I know because I already see the registration, so I want you to show up for that will absolutely be well worth your while, and I want you to stick around till the very end because I have a surprise for those of you who persevere.

4:30: OK, I'll see you guys next week.