



Chart of the Day

The show Musk go on! Let's watch \$TSLA for a bounce tomorrow

June 5, 2025

Scott analyzed Tesla's (TSLA) sharp selloff following high-profile drama involving Elon Musk and Donald Trump. The stock broke below key technical levels, including the 21-day, 50-day, and 200-day moving averages, marking one of the worst down days in its history. After-hours trading showed further weakness. Scott suggested the move may be an overreaction to headline risk and proposed a potential **upside reversal setup**: a lower open followed by a strong intraday recovery. He emphasized watching for this pattern and managing the trade with a stop at the intraday low if entered.

Next Steps:

1. Members to monitor Tesla (TSLA) at market open for a potential upside reversal setup.
2. Traders to wait for confirmation of a recovery above the prior day's low before entering long positions.
3. Use the intraday low as a stop-loss level if initiating a reversal trade.
4. Stay cautious and manage position size due to elevated volatility and headline risk.
5. Keep an eye on broader market sentiment, especially related to ongoing trade/tariff news.
6. Reassess if Tesla fails to bounce or breaks down further below current levels.

Transcript:

0:03: Hey everyone, good evening, it's Scott at Scottrade's on Twitter with stock market mentor.com.

0:10: And your chart of the day.

0:12: Want to take a look at Tesla.

0:14: This is Ticker TSLA.

0:16: Well, as you may have heard, the Donald Trump Elon Musk reality show has come to a dramatic end, and the season finale did not disappoint.

0:28: And we definitely saw a lot of fireworks on Twitter X and we saw some big selling here on Tesla with Tesla breaking down under.

0:38: The 21 day, closing under the 200 day and closing under the 50 day for one of its worst down days in the stock's history.

0:47: Now, after hours, we can see the stock is trading down under its close at around 277.

0:53: I'm looking for lower prices here on Tesla and a potential upside reversal.

1:00: Now an upside reversal setup is one where you get an open under the previous day's low.

1:06: And then we see buyers step in sometime in the morning.

1:11: Let's say the stock opens up here at 265, just to throw out a number, so we see the stock open lower, and then we want to see the stock go up and take out the previous day's low.

1:22: And then you want to use the initial low of the day.

1:26: As your stop loss, and then you're just kind of riding this to glory as long as the ride lasts.

1:33: So that's the setup I'm looking to play out here on Tesla if we get a lower open tomorrow, looking for an upside reversal and potentially a rebound back above the 50 day moving average.



1:43: Now, despite what you think about Trump and Elon and the whole thing, these types of moves don't happen a lot in the stock market, and this could be an Overreaction to just people not wanting to be involved in any drama right now, while we already have tariff drama and other headline risk, China trade deals, etc.

2:06: that are a kind of overhang on the market right now.

2:08: So maybe we're seeing an overreaction, and I want to see if this stock can bounce tomorrow.

2:13: It's one we're watching tomorrow over at stockmarketmentor.com.

2:17: I hope this is helpful.

2:18: I'll see you next time.