



Chart of the Day

Here's what your trade should have been on Circle Holdings (\$CRCL)

June 25, 2025

Dan reviewed a recent IPO trade that saw a powerful momentum-driven move from around \$119 to nearly \$300. He explained his strategy, which involved an early entry based on a textbook setup he favors for IPOs, placing a stop just below the intraday low, and calculating R multiples for risk/reward tracking. Dan emphasized the importance of taking profits in stages as the stock rises and warned against chasing price due to FOMO. He noted that the stock now appears vulnerable, having sliced through \$200 on heavy volume, suggesting many traders are trapped. Dan advised that the smart move is to exit early in such parabolic moves and avoid overstaying in crowded trades.

Next Steps:

1. Members to review the IPO case study to better understand Dan's early-entry strategy and risk management.
2. Traders to monitor newly listed IPOs for similar setups and calculate appropriate R multiples before entering.
3. Investors to avoid chasing high-momentum stocks late in the move to prevent FOMO-driven losses.
4. Members to practice staged selling to lock in profits as trades mature.
5. Traders to stay alert for signs of heavy volume reversals, which can indicate potential distribution and downside risk.
6. All participants to recognize when to exit early and appreciate outsized gains without trying to "squeeze out" the last dollar.

Transcript:

0:00: OK, Dan Fitzpatrick here, stockmarketmentor.com, and it is June 25th.

0:07: all right, so we got an eight-day exponential moving average.

0:11: It just started because the stock just started trading, right?

0:16: And so this is the interesting thing.

0:18: , about this, we don't have, we don't have indicators like Bollinger bands.

0:24: I mean, you can make them if you go to, like a 15 minute, hey, there they all are, right there, but on a daily chart, the only thing we really have to go on is the price.

0:36: And here's the thing, this puppy went all the way up to 300.

0:41: OK, well, I've just activated all my.

0:46: All of my lines that I use to trade this with our gang at Stock Market mentor.

0:51: So, but I'm gonna take this back off.

0:54: What I wanted to show you is that a stock like this, and I mentioned this to our people, we're, we were out of this a couple days ago, right at the high, really I, I had said.

1:04: , I'll pat myself on the back, but that's not why I'm whatever.

1:09: I had said when the stock is down like I think 200 even, and then it started pushing through 200.

1:15: I said, you know, with this pure momentum here, this thing could go to 300.

1:20: It's not a measured move.



1:22: It's not.

1:23: Anything other than me looking at it going, wow, that's a lot of momentum.

1:27: If I own the stock, I would say, well, if it gets to 300, I'll sell.

1:31: and so that's what I was looking at, when I'm watching the stock.

1:36: But this is the thing, and maybe I don't know, everybody's made this mistake at one point or another.

1:42: You start getting the FOMOs, the, the can't help it's the, you know, oh my gosh, I, I'm missing out on this trade and you watch it go up, you watch it go up, and then finally.

1:53: , you wind up buying it like right at the highs or probably more commonly you've bought it here and you're not thinking about selling into strength because you're concerned that you're gonna miss the trade, that you're gonna that the stock's gonna keep going without you and that's exactly what it did do.

2:13: , here.

2:15: And so what I was doing all along the way was looking at where we're getting into the stock and, and we had a, we had a great trade on this stock, which I'll show you in just a minute.

2:28: , but so we got into the stock really, really early, at 11:19, clear down here just because this is kind of my, my IPO strategy that I like when I see this kind of thing.

2:43: It's kind of a textbook Fitzpatrick buy.

2:46: I don't think I'm the only one, that does this, obviously, a lot of people do, but so we got the stock here.

2:53: And then right away I'm calculating like, OK, well here we get it at 119 bucks right around there.

3:01: And then where am I gonna put my stop?

3:03: I'm gonna put my stop just a little bit below this day's intraday low, right here and so I'm risking about 8 maybe 9%.

3:13: And so then I just start multiplying that 9% like adding it up.

3:17: OK, what's 9, what's 18, what's 27 to find out like where my.

3:22: , risk return is, and I'm looking for the highest R value that I can get and like here at 180, this 6R trade means that when the stock gets to 181, I am actually making 6 times what I have risked on the trade, for every dollar that I've risked I'm making 6 times.

3:47: And so ultimately this trade goes up further and further almost to 300.

3:54: I, I don't even know and there's no reason to calc it.

3:58: I don't even know what my my return was and when it comes to our multiples, I just know that it was a lot, so but this is how.

4:09: So this is how this trade worked out on trade track, by the stock here IPO very close to breaking out and I'd already counted like I didn't, again, I didn't bother to go past 180 when I first did this, but like these are the numbers.

4:24: Numbers, that I, that I really, really wanna see and then so you can see where we sold, sold some and took partial profits and then just, a couple days ago took off the rest when the target was hit.

4:41: And on the chart here, this is what this looked like buy them here, sell some here, sell some here and sell some here and then at this point now.

4:54: I wouldn't want to be anywhere near this stock.



4:56: I'm not gonna say circle is gonna flat line, that was a pun intended here, but, I'm saying that this could go a lot lower because this was massive volume on the way up.

5:11: OK, huge volume on the way up here, which means that a lot of people are trapped in the stock.

5:18: I hope it's not you, but as the stock doesn't move higher, you're gonna get more and more people that are kind of giving up the ghost and are gonna be selling.

5:29: So, I think this thing, OK, pulled back to 200 and it kind of knifed right through it.

5:36: There's no reason that this can't go, continue to fall.

5:40: I mean, it, it could, it could fall down, to 150, and frankly, there'd be nothing wrong with the stock when you look at it.

5:47: I mean, it opens up here and then it runs up to 1, 150, That's a double in a very short period of time.

5:56: It doesn't work for people that bought up here.

5:58: So the point that I'm making though is it's really quick.

6:02: You gotta know when it's time for Elvis to leave the building, and when a stock does this so early like you don't even have the typical indicators.

6:12: And the stock does that you really, really need to just say, OK, thank you, sir.

6:18: I'm not even gonna ask for another because this is a pretty rare thing, but thanks very much and I'm not gonna spit in the face of the gods of Wall Street.

6:27: So, anyway, that's how I kind of traded this stock again, the idea was to be in.

6:36: And then out on as the stock climbs higher.

6:40: So, anyway, I hope this works for you guys and I will see you next time.