



Chart of the Day

Here's how I'm framing a trade on Tesla (\$TSLA)

August 18, 2025

Dan discussed the importance of disciplined trade entries, emphasizing that even strong stocks like Tesla are poor buys if entered at the wrong time. He explained that successful traders use structured methods with defined risk and reward, rather than impulse buys. Dan highlighted Tesla's current sideways action around its 200-day moving average and noted a converging support and resistance pattern forming a tightening setup. He outlined that an ideal trade requires Tesla to hold support near \$327–\$330 and then break above resistance around \$345–\$350, creating a low-risk, high-reward opportunity. He stressed that trading should always be based on “if-then” conditions rather than absolutes or hope.

Next Steps:

1. Members to review Dan's session for detailed guidance on trade entry discipline.
2. Traders to practice defining clear risk levels and avoid impulse buying.
3. Monitor Tesla's price action around \$327 support and \$345–\$350 resistance for a potential breakout setup.
4. Place stops just below recent lows or the 200-day moving average to manage downside risk.
5. Wait for confirmation of higher lows and breakout strength before entering trades.
6. Apply Dan's “if-then” trading framework consistently across all setups to improve discipline and consistency.

Transcript:

0:00: OK, I'm Dan Fitzpatrick here at Stockmarketmentor.com.

0:05: And I wanna look at Tesla, today.

0:08: first of all, before we go to the screen, I just want to mention With respect to trading, you can find the best stock in the world, I mean other than Palantirer, you can find a great stock, but if you buy it wrong, the only way in my mind you're gonna kind of ultimately make money on it is if you don't take any you're not even thinking about risk you're just buying the stock and then it turns out to be.

0:37: , a great trade and all that, that's not the way that, good traders, consistent traders, consistently profitable traders trade.

0:48: They have a method for when to get into a stock.

0:51: The first thing is, of course, picking the stock.

0:54: You, I'm not talking about that now.

0:56: what I'm really talking about is buying the stock or making a trade on the stock after you find it.

1:03: What are you gonna do?

1:05: And.

1:05: This is where I think a lot of people can get screwed up and for maybe a number of different reasons, but one of them is you're looking through a bunch of different charts and or maybe you're looking at some of the stocks on, on, on IBD like on, the IBD 50 or maybe Jim Kramer's latest, you know, by by by or whatever.

1:28: So you've got a list of stocks that you're looking at them and then you see one and you go, oh, that looks good.

1:33: OK, typically.

1:35: Just because you see it, it doesn't mean that it's right to buy.



1:38: In fact, I could almost tell you it's not right to buy, and that's just because kind of the odds bear me out.

1:46: There are very, very few times on any chart that make a really, really good entry position and what a good entry position means is a well defined risk and then a reward that you can see that you've seen before that you can you can measure, you can imagine.

2:05: , you can say, OK, well this is achievable, this is attainable based on my trading experience, what I've seen in the past, not wishful thinking or hope, but what I've seen in the past.

2:19: This is where I think the stock can go if, and I'm gonna get to a detail in a second, but this is where I think the stock can go if it does this instead.

2:29: See, trading tends to be.

2:30: , a hypothesis if this then that so you wanna have that because if you don't, then all you're really doing is you're looking at a stock and you're going oh that sounds good and and I'm gonna buy it and so then you buy the stock but since most of the time on any given chart.

2:50: Most days aren't days that you're gonna buy.

2:54: So what happens if you see it on a Thursday and the real ideal entry is the following Friday after the stock is pulled back to a lower entry to a better entry.

3:06: You've gotten it early, but you're also screwed and you have a loss on the books so what I'm really trying to say here I don't know whether it's getting across or not, but what I'm really trying to say is once you see a stock that you want, that's only the first step you don't just see it and buy it you have to look and see where the set up is what's likely to happen, what needs to happen before you actually.

3:33: , take action on that stock because if you're not doing that, then it's kind of like the luck of the draw.

3:41: If you happen to see it on the right day, great, you know, you buy it.

3:44: If you happen to see it on the wrong day, not so great, you buy it.

3:50: So I wanna look at Tesla today and.

3:54: We can, I'll kind of show you what I, what I mean here.

3:57: So, as, as I'm looking at this stock, I don't see this as actionable really at all.

4:05: you can see.

4:07: We'll get rid of this stuff.

4:10: I've drawn this channel and where it kind of broke out, but you can see this is kind of a mess, so forget about that.

4:16: We'll even take this off.

4:17: It doesn't mean anything anymore.

4:19: But then we go back to the daily chart and you can see this is just kind of grinding around the 200 day moving average, which is the blue line is almost flat.

4:28: It's still trending up just a little bit.

4:31: 50 day moving average is really, really close to it.

4:34: , and still flat as well.

4:37: So when you see, this kind of configuration just on the on the moving averages, the 50 and the 200, then.



4:47: You know, the stock is drifting sideways that's just kind of a function of math and so I want you to be thinking about that as you're looking at Tesla and trying to craft a trade so somebody asked me about this in today's, training session.

5:05: I always do a training session on Monday morning just to kind of set the stage for the week and go through our active trades and things like that.

5:15: So somebody asked me about Tesla and these are ultimately bam the arrows that I drew.

5:22: The first thing that I did was I drew the line that shows the support here.

5:27: You have to have at least 3 points to make a trend line, otherwise if it's just 2 points, it's just the shortest distance between those two points.

5:36: So we've got 123.

5:39: So here's the uptrending support line and then we've got 1.

5:44: 23, that's the down trending resistance line and this isn't, exact.

5:51: I mean, I could say, well, it's actually up there and then that takes it to there.

5:57: OK, well, maybe it's just a little bit of art, but I like this because this is a lower high than that this is a lower high than that that works for me and you could even say well this is a lower high as well so we've got these two converging lines here that give us kind of a pinching pattern and so.

6:18: That's actually what you would be able to draw here.

6:22: And then the stock comes up.

6:25: Breaks out here.

6:28: Moves again, really, really nice comes up here and then ultimately pulls back a bit.

6:34: So this move here.

6:36: On these days, you can see the volume is drifting higher, so this move here gave you the first sense that this stock, which has been kind of in a down trend, that this stock could get some juice in it, it could start moving a bit.

6:51: And so, you look here, you don't buy it, right?

6:55: And so then you're watching the stock and you can see what I did the, person or member asked me like, what do you think and all that and I said, this is what I think has to happen.

7:06: Think the stock needs to come back down, find some support which it actually wound up doing today and then.

7:14: It needs to rebound.

7:16: You've got a stop, say right down here, somewhere down below, just below the 200 day moving average, and then in order for the stock to really, really, to really, really go.

7:30: It needs to break out here, we'll say.

7:34: Above 345, 346, something like that.

7:37: It didn't have to be exact, but the cool thing is this stock has pulled back just a little bit, so it's a higher low than this was.

7:47: So each of these pullbacks and then a higher a higher low, it's kind of like a reset.

7:52: , so the stock resets, it's more tension, it moves up, then it pulls back, it resets at a higher level, more tension, boom, then it moves up.



8:03: it pulls back resets here at a higher level, and then there's again more tension.

8:07: It's just the rubber band being stretched and so now for the stock to break out above resistance, it, it doesn't have to move that far.

8:18: All it has to do to give you a proper buy point is like right up here, you could say go up above 350 even, something like that and that's over 4%, which is kind of a lot, but that's what you're giving up.

8:33: In order to have a good trade, to have a good possibility of a really, really great trade because this is pulled back just a little bit, coiled the spring, boom, and now it's moving up, so you'd wait here on the green line there for your entry point.

8:51: But here's the thing, so, OK, well, I'm seeing it now.

8:56: Remember what I was talking about at the beginning, like when are you seeing a stock?

9:00: OK, I'm seeing it.

9:04: I'm seeing it here.

9:06: There's absolutely nothing here to make me want to buy the stock.

9:09: Nothing here, nothing here, nothing here, certainly nothing here.

9:15: So there's nothing here that makes me want to buy the stock, but lo and behold, I see it here.

9:22: This day now I'm getting interested and the reason is because hey, this this could this pullback could in fact have run its course.

9:33: Tesla is in this pinching pattern here, so it is tightening up and so this could turn out to be a really, really ideal turning point here at 100 excuse me, at 330 bucks and so.

9:47: What could be your strategy here and this would be one like, hey, I see it today I think it's actionable today so you're buying it here and your stop is it's like you're drop dead price here below Friday's intraday low of 32702 we'll just say it's the the 200 day moving average.

10:11: So what you're able to do now is you have a reason for buying the stock.

10:15: It's up today.

10:16: , and looking like it's rebounding right off support, so I'm gonna go ahead and buy it here and my oops, oh crap, I'm wrong, isn't down here at the 200, it's not down here it's oh it's right down here below Friday's intraday low.

10:34: So I'm risking about 2.5% on this stock.

10:39: So what I've done is I've framed a trade, a low risk trade in this particular stock, and what I mean by low risk is I know exactly what the stock needs to do in order for me to say, OK, that trade is negated what I thought could happen didn't happen, so I need to get out.

11:00: So this is the way in my view this is the way you wanna be trading everything has to be if then if it does this then that if I do this then that that kind of thing so don't think in terms of absolutes think in terms of kind of like.

11:17: The choices that reality brings us, OK?

11:20: And by the way, speaking of the choices that reality brings us, I'm telling you \$7 for 14 days at Stock Market mentor if you are not a member and you haven't tried stock market mentor before, \$7 is the only thing that's standing in your way, of making some damn good trades.

11:39: I can promise you that, absolutely promise you that.

11:42: So anyway, that's all I got for you.



11:44: I see you all next time.