



Chart of the Day

When do you say "Thank you very much?"

August 29, 2025

Dan discussed a trading strategy for handling a stock with a significant gap-up, using Iron Limited (IREN) as an example. He noted that after an earnings report, IREN gapped up 20% and at one point was up 45%. To lock in gains while still allowing for potential upside, he recommended an "opening range breakout move" strategy. This involves defining a box around the first 5-minute price bar of the day and selling if the stock falls below the low of that bar. He demonstrated that this tactical approach would have protected profits, as the stock later fell over 4% from that sell signal. Fitzpatrick warned against "magical thinking" that a stock will continue to run without a plan and stressed the importance of having a logical exit to avoid giving back a large portion of your profits.

Next Steps:

1. Implement the "opening range breakout move" strategy for stocks that have gapped up significantly.
2. Define a logical exit by using the low of the first 5-minute price bar as a sell signal to protect your gains.
3. Avoid "magical thinking" and do not assume a stock will continue to run without a defined plan.
4. Consider the risk of giving back profits and always keep yourself in a position to win, not to lose everything you've made.

Transcript:

0:00: All right.

0:01: hey, everybody.

0:02: Dan Fitzpatrick here at Stockmarketmentor.com.

0:04: I want to just make a quick one today.

0:07: We've got a Labor Day weekend coming up and I'm sure a lot of you are probably on the highway or the freeway already.

0:13: Sitting there in traffic wondering why you're driving to grandma's house or whatever, you know what?

0:18: it's because she misses you and you never know how long she's gonna be around and you're never gonna say, gosh, I wish I'd spent, less time with her.

0:27: So anyway, whatever, it's life lessons.

0:30: So let's look at a market lesson here.

0:32: Iron Limited.

0:34: So this has been a great, stock.

0:36: We, we put this on the list on at 20 bucks.

0:39: It kind of oscillated around a little bit.

0:42: But since this was initially on the list, at one point just today it was up like 45%.

0:49: I think some of our guys sold, I know some of them didn't, I mean, back here, and then so some are hanging on here.



0:56: But the point that I wanted to make, just real quick is this, when you get a stock that gaps up, this is an earnings move, It gaps up like 20% at the open.

1:09: You have to be looking at this stock saying thank you very much.

1:13: This is exactly what you're looking for, on, on any given day at any given time if you, the stock makes a big move, if you decide to hold your position, like let's say you decided at the open, you're holding your position, this is what you're doing.

1:31: You're drawing a box and you're saying golly G if you say golly G.

1:35: , the stocks right here, you know what though?

1:39: I just kind of think it's gonna continue to run, OK?

1:43: If that's what you think, you're engaging in magical thinking, it could happen.

1:49: I mean, it did actually run up, a bit farther here we'll get rid of this mess.

1:55: it did run up a bit farther from where it opened, ran up another what, 7% or so.

2:01: So it's not like it was a complete gap in crap, but one way that you can.

2:06: Hang on to something like this, a big winner, but still protect your gains.

2:10: So you're kind of keeping yourself in a position to make more.

2:14: but at the same time, you've got a logical exit.

2:17: You can do something like this, you can do like an opening range breakout move where the initial, 5 minutes.

2:25: The initial 5 minute bar chart is from here to here.

2:29: OK, so, what you're doing is you're gonna, you decide, OK, well I think I would be selling the hell out of this, but, I didn't know any so would have could have should have, but you could look at this and say, OK, this was the high, this was the low.

2:46: I wanna be in a position to capitalize this it on this if the stock continues to go higher, but.

2:54: I want to lock in most of my gains and so if the stock falls below the opening rotation, the 1st 5 minutes, if this falls below the opening rotation, you know what?

3:07: Then I'm gonna go ahead, I'm gonna go ahead and sell this thing and so, let's say you're doing that.

3:14: OK, that's your sell signal.

3:16: that's your buy signal.

3:17: Like, hey man, maybe you're, maybe you're gonna buy more.

3:21: Again, I wouldn't do it, but, opinions vary.

3:25: So that's what you're gonna do, right?

3:27: So then we move on, this was by mistake, then we move on here, OK?

3:32: Still nothing to do, nothing to do, nothing to do, nothing to do, boom, you're out.

3:38: Just like that.

3:39: You're out of the stock like that.

3:42: Now, at one point, From where you sold the stock at one point was down over 4% below that level.



3:51: So and not only would have you given up 4% of the price, but if the stock moved.

4:00: 20%.

4:01: I don't know exactly what it was, so this is just mental math, but let's say you were up 20% on the stock at one point.

4:09: Well, if you didn't sell, then you've given up 20% of the profit that you made.

4:16: OK, you've lost 4% more of the 20 and so then ultimately the stock's done what?

4:23: I mean, I'm still doing this here, the market's open, the stocks down here.

4:28: So the point that I'm making is actually pretty simple.

4:31: oh and by the way, I want to mention something to you.

4:34: if you go to stock market mentor, if you haven't been a member already, shame on you, \$7 you get 14 days.

4:41: OK, if you can't make money from what we're doing in 14 days.

4:45: then you absolutely should cancel.

4:47: I haven't earned your business, but in 14 days if you just do what I'm coaching you to do and what Scott is also coaching you to do, you're gonna make money, I promise you that.

4:59: So it's \$7.14 days, 50 cents a day.

5:04: Not really sure what the downside to that would be, but only you know.

5:08: Anyway, back on track here, so what I wanted to do here was just show you a way to stay in a stock that's gone up far more than you deserve it to go and you wanna lock in your gains, but at the same time, hey, you never know, the stock, Stock could go up more like we saw that with Bank of Montreal, which is something that we've been along for a bit as well.

5:30: So you wanna be looking at these things always keep yourself in a position to win, but at the same time make sure that you're not allowing yourself to be in a position to lose everything that you made, all right, so that's all I got for you.

5:44: Hope you have a great weekend and I'll see you back on Tuesday.