



Chart of the Day

Here's a short term entry for a long term trade on \$AMZN...and a deep dive into how you should Really be trading!

October 1, 2025

Dan discussed Amazon's technical analysis, noting that while it appears to be forming a double top, it's not confirmed until the stock falls below \$170. He recommended long-term traders consider buying around \$220, with a stop-loss at 3-3.5% below the entry, targeting a minimum return of 6% or ideally 9% to make the trade worthwhile. Dan emphasized the importance of trading based on risk rather than money, explaining that high R-multiples (reward-to-risk ratios) lead to exponential account growth. He showcased successful trades like Rigetti and Applovin' with R-multiples of 23 and 16 respectively, and encouraged viewers to join Stock Market Mentor for detailed trading strategies.

Next Steps:

1. Dan to present about trading according to risk at the Investors Business Daily Founders Club conference in Las Vegas.
2. Dan to stay at the Venetian in Las Vegas with his wife during the conference.
3. Members to review the active trade list with R multiples shared during the meeting.
4. Interested attendees to email Dan at dan@stockmarketmentor.com if they want to meet for a drink in Vegas.

Transcript:

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00:00:01.790 --> 00:00:08.219

Dan Fitzpatrick: Okay, I'm Dan Fitzpatrick at StockMarketMentor.com, and it's 2.35 PM.

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00:00:09.080 --> 00:00:10.430

Dan Fitzpatrick: Pacific time.

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00:00:10.740 --> 00:00:16.640

Dan Fitzpatrick: October 1st. The government shut down, and frankly, the market didn't care.

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00:00:16.980 --> 00:00:29.280

Dan Fitzpatrick: Here, we'll just start here. I got a couple things to show you, but... So the S&P and the Q's, that's not... that's something else. The S&P and the Q's, closed at all-time highs, so,



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00:00:29.310 --> 00:00:42.830

Dan Fitzpatrick: So there's that. But what I wanted to show you today was Amazon. Okay, this has been kind of trading sideways for a while here. You can see what's kind of looking like the potential.

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00:00:43.090 --> 00:00:44.789

Dan Fitzpatrick: To be a double top.

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00:00:44.810 --> 00:00:52.669

Dan Fitzpatrick: It's not really a double top, actually, from a purely technical standpoint. It's really not a double top until

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00:00:52.670 --> 00:01:05.209

Dan Fitzpatrick: the low between what looks like the first top and the second top, until that low is actually surpassed. So, it would really take until this.

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00:01:05.830 --> 00:01:07.040

Dan Fitzpatrick: It would take...

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00:01:07.910 --> 00:01:30.180

Dan Fitzpatrick: this stock to go clear down below \$170 before you can conclude that, oh, that's a double top, maybe I should get out. Alright, that's not the way to really trade, you can trust me on that. But if you look at the daily chart, you get kind of a better sense. First of all, I don't think this is something that you gotta rush out and buy right now. However, if you are a longer-term trader.

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00:01:30.180 --> 00:01:32.780

Dan Fitzpatrick: This is a pretty good opportunity

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00:01:32.780 --> 00:01:43.899

Dan Fitzpatrick: to take what you would like to be a long-term position and start as a short-term trade. In other words, you've got this stock here, right at...

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00:01:44.130 --> 00:01:51.010

Dan Fitzpatrick: the 200-day moving average. I got a lot of notations in here from trades that we've been making. I'll get rid of those.

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00:01:51.010 --> 00:02:15.110

Dan Fitzpatrick: So, you've got this trading right along the 200-day moving average, which really doesn't happen that often. Back here, yeah, like everything else, this fell down, but ultimately, it just resumed its ride right along the 200-day moving average. So, if you're a longer-term trader or investor, you're buying the stock here at 220, but your drop-dead level is really, really low.

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00:02:15.210 --> 00:02:16.700

Dan Fitzpatrick: Like, you've got...

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00:02:17.310 --> 00:02:33.220

Dan Fitzpatrick: not even 4%, you can keep a pretty tight stop on this at about 3-3.5% on what you're hoping will be a very long-term hold, because you're able to get the stock at the 200-day moving average. Now.

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00:02:33.220 --> 00:02:39.139

Dan Fitzpatrick: This trade isn't for everybody. If you like to be kind of a short-term trader, kind of a swing trader.

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00:02:39.210 --> 00:02:56.319

Dan Fitzpatrick: there are better trades than this, but this is just one of them that I'm showing you. One other thing, though, that I wanted to mention, and this has to do... it kind of dovetails into what I'm saying here with respect to risk. So, let's say you're buying here.

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00:02:56.690 --> 00:03:19.929

Dan Fitzpatrick: And you're gonna put your stop down here. So you're risking 3%. You can see that in the upper left-hand corner. You're risking 3%, and you need to really make, in order to make it worth your while, not 3% on the upside, but, like, at a minimum of 6%. So you'd really need to see it go above 230, like, to 233 or 234.

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00:03:19.930 --> 00:03:34.149

Dan Fitzpatrick: Ideally, if it's 3, you want 9%, you want to get, a return of \$3, or 3% for every, percent that you risk, and so that would put it at \$240. So.

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00:03:34.150 --> 00:03:37.689

Dan Fitzpatrick: to round this out, if you're gonna make this trade.

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00:03:37.790 --> 00:04:02.440

Dan Fitzpatrick: with a stop down here, your assumption has to be, in making the trade, that the stock can at least get up to, you know, look, maybe 233, 234, but really, it needs to get up to \$240 in order to make this a good trade. I don't know if that's your trade, but it is a trade. One thing I want to show you here, and this is on, on TradeTrack, which is a tracking

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00:04:02.570 --> 00:04:25.240

Dan Fitzpatrick: Software that I have. You'll notice here, R's. What does this mean? Well, I already explained to you here, what is your risk? In this case, what was it? We'll say it was 3.5%. Okay, so that's the R, that's the R multiple. So if you're getting 3.5% to the upside, that's an R1, an R multiple of 1. This is,

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00:04:25.390 --> 00:04:34.679

Dan Fitzpatrick: Van Tharp's analysis. And if, if you want, if you're gonna get twice what you risk, that's an R2 multiple.

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00:04:34.940 --> 00:04:52.669

Dan Fitzpatrick: The idea is, and I'm going to be teaching this at, in Las Vegas in a couple days, at the, Investors Business Daily Founders Club, conference. Hopefully, I'll see you there, but probably not. Anyway, I'm going to be talking about the importance of trading according to risk.



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00:04:52.670 --> 00:05:10.669

Dan Fitzpatrick: As opposed to money. I mean, if you're managing your risk well, the dough's gonna come. That's just a consequence of being a good risk manager, and so it really starts with risk first, and what you're looking for are really, really high-value trades, trades where the R multiple

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00:05:10.670 --> 00:05:26.479

Dan Fitzpatrick: isn't 2, or 3, or 4, it's, like, frickin' 20. Stuff like that. And so this is what we've got going on our active trade list right now. Now, if you're a member, you know this already. If you're not.

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00:05:26.780 --> 00:05:27.970

Dan Fitzpatrick: Listen up.

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00:05:27.970 --> 00:05:52.950

Dan Fitzpatrick: Okay, these are... this is the way I track our trades that I've got going here, and according to R multiples, we've got Rigetti here with an R multiple of 23. Like, this has been a monster trade. Why? Because we got in it at the right time. And now I've got the current stop up here, fine, that's to lock in... lock in some profits, and you can see this with some other ones, too.

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00:05:52.950 --> 00:05:58.509

Dan Fitzpatrick: Aplovin', similar kind of thing here. We bought it at the right time.

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00:05:58.510 --> 00:06:07.910

Dan Fitzpatrick: We've got a trailing stop on this, and we're doing really, really well on this. It's a 15, almost a 16R. Now.

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00:06:08.020 --> 00:06:20.059

Dan Fitzpatrick: Why is that? Why do we have such a high R value here? It's not because of where we entered. It's because of where we were able to put the stop.



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00:06:20.060 --> 00:06:30.420

Dan Fitzpatrick: We were able to take a small risk in order to get into the trade, and then when the trade started to work, that's when we really started

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00:06:30.420 --> 00:06:45.980

Dan Fitzpatrick: bank and the reward for the small risk that we took. Now, if you had to have a really loose stop for whatever reason, and sometimes you do, just with respect to volatility, if you had to add a really loose stop.

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00:06:46.580 --> 00:07:02.589

Dan Fitzpatrick: you're risking a lot of money. So, let's say you had to have a 10% stop, okay? Then, in order to even get a 1 to 1 reward versus risk, you have to make a 10% profit. In order to get 2,

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00:07:02.850 --> 00:07:16.139

Dan Fitzpatrick: a 2R, you have to make 20% profit. To get 3R, which is really what you kind of want to shoot for, you gotta be making 30% on that damn trade, just to make a 10% risk.

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00:07:16.170 --> 00:07:33.559

Dan Fitzpatrick: Worth your while. Worth your money. Are you seeing... are you tracking me? Because this is what I'm talking about. You have to trade risk first. And if you're... here's the thing, if you're trading risk first, and you're always taking a small amount of risk, hey, it's an inevitability.

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00:07:33.560 --> 00:07:44.629

Dan Fitzpatrick: that you're gonna be stopped out, you're gonna get shaken out of trades, you're gonna get shaken out of trades that then you go like, oh crap, I gotta get back in, and then they ultimately work. That's the nature of trading.

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00:07:44.630 --> 00:08:08.479



Dan Fitzpatrick: I don't care about getting shaken out of trades for a 2% or a 3% loss, but I sure as hell don't want to get shaken out of trades for a 10% loss, or a 12% loss, or something like that. You can't get that many shakeouts before you really start shaking. Pardon the pun. It's kind of a stupid one, but it just came to mind. So, the point that I'm making is, if you start with risk

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00:08:08.530 --> 00:08:09.700

Dan Fitzpatrick: first.

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00:08:10.090 --> 00:08:15.689

Dan Fitzpatrick: you are gonna get some massive R multiples, and your account.

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00:08:15.690 --> 00:08:33.189

Dan Fitzpatrick: is gonna increase exponentially. I promise you that if you start trading risk first. The one caveat is that you have to have a sound trading strategy, which, by the way, I teach every day at Stock Market Mentor. If you're not a member, you're missing out.

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00:08:33.190 --> 00:08:50.520

Dan Fitzpatrick: Because I teach these strategies, I go into this stuff in detail, and I gotta tell ya, I'm really enjoying the feedback that I'm getting from members who are making a crap load of money on the trades that we're making. Like, these are just the open trades, I haven't quite updated it, but...

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00:08:50.570 --> 00:08:51.630

Dan Fitzpatrick: Actually.

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00:08:51.710 --> 00:08:59.459

Dan Fitzpatrick: just a couple things I need to take off, like JP Morgan, a couple others that just aren't working that great. But look at the returns on this.

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00:08:59.580 --> 00:09:10.550



Dan Fitzpatrick: Okay, these are monster trades if you are just looking at the risk. And so, I'm pounding the table here just a little bit to tell you.

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00:09:10.550 --> 00:09:35.530

Dan Fitzpatrick: If you're not trading risk first, you're trading too risky. I hope I see you in Vegas if you just kind of happen to be over there. We're staying at the Venetian, my wife and I, so, look me up. You can, just send me an email or something, Dan, stock market mentor, if you're getting this, like to have a drink with you, okay? That's all I got, ladies and gentlemen. I'll see you next time.