



Chart of the Day Here's your trade on Tesla (\$TSLA)

November 5, 2025

Dan Fitzpatrick analyzed Tesla (TSLA), which has been in a wide, choppy sideways consolidation for a prolonged period. He framed the stock's current position not as a trend ride, but as a test of patience, emphasizing the importance of risk/reward analysis over trying to "get a head start". Dan determined that attempting an early entry has a poor risk/reward profile, as the potential downside risk to the recent low (4.5%) is significantly greater than the potential reward to the next resistance level (2.5%).

Next Steps:

1. Avoid Early Entry: Do not buy Tesla right now, as attempting an early start before the breakout is a low-probability trade with a poor risk/reward ratio (4.5% risk for 2.5% immediate reward).
2. Wait for the Confirmed Breakout: The best strategy is to wait for the price to break above the consolidation area (approx \$474) before buying.
3. Frame Your Risk: Always assess the risk/reward: identify the nearest meaningful resistance and the closest logical stop (recent low). Only enter if the reward outweighs the risk.
4. Find Trending Stocks: While waiting for Tesla to resolve, focus on other stocks that are already breaking out and trending (like Cypher or Iren).
5. Use a Tight Stop: When the breakout is confirmed and you enter, maintain a tight stop.

Transcript:

0:01: OK.

0:02: Hey, everybody, Dan Fitzpatrick here at Stockmarketmentor.com.

0:05: I just want to take a quick look at Tesla and kind of frame a trade, for you.

0:12: So we don't have earnings for a while, so that's not gonna be an issue.

0:17: let me get rid of this box here cause I don't need it for what I'm doing here.

0:21: So you can see how this stock has been just kind of grinding around here for a while, 450-ish, you know, one way or another.

0:28: , but the way I look at it is it is really kind of forming a consolidation phase that could very well make Piper Sandler, look pretty smart with a \$500 price target on it.

0:42: Now, on a percentage basis, you know, it's, it's not, not much to chirp about.

0:48: It would have been better.

0:49: , owning Cypher, which we have done for quite some time, like 175%, I think, but that's then we're looking at Tesla now.

1:00: So this is the point that I want to make though.

1:03: You can buy this stock and right now and say, hey, you know, I think the stock's gonna move higher, and you could do that, but then.

1:12: It's also moved lower many times, like recently, every.

1:19: I don't know, 3rd or 4th day, it does that.



1:21: So what you're doing in buying it now is pretty much a low probability, trade.

1:27: But let's say you say, all right, well, yeah, but I want to get a head start on it.

1:31: Fine.

1:32: So you're buying the stock right here and the real breakout area would be like right here, you know, you want to see it run up above, 4.

1:41: 74 we'll say you want to see it go above 474 before you can declare like a bona fide breakout and so that would be about 2.5% we'll say.

1:53: So if you buy right now, you're getting a 2.5% jump a head start on the move.

2:02: But when you're doing that, you're also risking what?

2:06: a pullback just even to yes shoot, even today's intraday low, 440, 71, you're, you're risking 4.5%. So you're risking 4.5% to get a 2.5% jump on a breakout that might or might not happen.

2:24: And so the better way to trade something like this, and I'm not even really talking about Tesla here anymore, I'm just talking about.

2:31: Stocks in general, when you're looking at something like this and you're wondering whether to get in kind of like prospectively early, I wanna get, wanna get an early start before the stock does X just be mindful that it's not obligated to do what you think it's gonna do.

2:50: A lot of times they don't.

2:52: In fact, if a stock knew you were putting a bunch of money on something, betting that the stock would do something.

2:58: It would go against you just because it doesn't like arrogance, And it would probably kick your dog too, so you can't really count on the stock to do something just because you want it to.

3:09: So the better way for you to do it is always be framing your risk reward.

3:15: If I get in early, I have to assume that this next high here that this is resistance.

3:22: You can't just assume, well, this is just gonna blast through here and keep going.

3:26: If, if you're gonna make that assumption, then you just got to go all in.

3:30: it's not gonna happen, but you gotta go all in.

3:32: But what I'm saying is you have to look and see where is the next level of resistance that's meaningful, and that is this this high here, 2.5% higher, that you need to see the stock break through.

3:46: So the 2.5% move is valid.

3:49: But like the 3 or 4% or 5% move to the downside is also valid.

3:55: That's a crappy risk reward.

3:57: So the best way to trade it is to say, you know what?

4:00: I'll let somebody else get an early jump on this.

4:03: I'm gonna wait for the breakout and only then.

4:08: Will I consider buying.

4:09: And in the meantime, I'm probably just gonna go find some stocks that are doing really well, like Cypher.



4:20: Like iron, which We're very long right now.

4:25: So anyway, that's all I got for you.

4:27: Look, I hope that you are a member of Stock market mentor and if you're not, why don't you go fix that right now.

4:35: \$7 gets you 14 days.

4:39: if you can't make money, if you can't make that money back in 14 days, then you need to sit at your computer longer.

4:45: All right, I'll see you then.