

Chart of the Day

Here's how you can be trading Lumentum Holdings (\$LITE).

December 8, 2025

Dan shared his trading approach for Lumentum Holdings, emphasizing the importance of balancing offensive and defensive strategies while using technical indicators like moving averages and Bollinger Bands. He discussed specific entry and exit points, highlighting the significance of support levels and encouraging traders to wait for optimal opportunities rather than making impulsive trades. Dan invited members and non-members to attend a strategy session for further insights and trade ideas.

Next Steps:

1. Members: get over to today's strategy session to review December information and trade ideas
2. Non-members: join membership for \$7 to access strategy sessions

Transcript:

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00:00:01.800 --> 00:00:18.849

Dan Fitzpatrick: Yeah, I'm Dan Fitzpatrick here, StockMarketMentor.com, and I want to look at Lumentum Holdings, for a few different things. First of all, let me just show you what we did. Caught this stock right out... I was just going over this this morning in our 90-minute

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00:00:18.850 --> 00:00:26.029

Dan Fitzpatrick: Training session, but, we caught this stock really good, coming right out of this squeeze.

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00:00:26.030 --> 00:00:49.240

Dan Fitzpatrick: And, rode it up, had a few stops hit here and there, but that's why you want to keep, partial stops as opposed to just all-in, all out. I think that it's important to always be playing... you can have defense and offense on the same... on the field at the same time. You want to, in my mind, always be playing offense. You want to be making money.

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00:00:49.240 --> 00:00:53.469

Dan Fitzpatrick: And focusing on making money, but at the same time.

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00:00:53.470 --> 00:01:11.640

Dan Fitzpatrick: you can be focused on not losing money as well. So you can kind of split up your trades into fractions, maybe a half, maybe a quarter, something like that. But as long as the trade, as long as the stock is still working, as long as the trend

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00:01:11.640 --> 00:01:21.720

Dan Fitzpatrick: that sucked you in in the first place, as long as that is still working, then you really want to stay... you really want to stay with the trend. I think

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00:01:21.720 --> 00:01:34.020

Dan Fitzpatrick: That, you know, I've heard a million times, how'd you make your money? I always sold too soon. That's really not a bad approach, obviously, since great traders sell too soon.

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00:01:34.380 --> 00:01:44.570

Dan Fitzpatrick: I'm just suggesting that one way you can hold for a longer period of time and make more money is to sell part.

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00:01:44.760 --> 00:01:55.670

Dan Fitzpatrick: too soon. And there's kind of a difference, so I want you just to be mindful of that, but so, here's what I'm looking at with, with momentum here, so we'll take this off.

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00:01:55.740 --> 00:02:14.630

Dan Fitzpatrick: Okay, the green line here is the 8-day exponential moving average. You'll notice that this is held really, really well most of the time. It did, like, really well up here. So this is a really solid support, but when the stock has broken down.

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00:02:14.890 --> 00:02:25.469

Dan Fitzpatrick: It's been caught by the 20-day moving average. These two little lines here are similar. One is just the 21-day moving average, and the other is the middle Bollinger Band.

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00:02:25.470 --> 00:02:34.959

Dan Fitzpatrick: So they all track pretty much the same. But you'll see that when this is broken down below the 8-day, it's never fallen below this middle

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00:02:34.960 --> 00:02:40.259

Dan Fitzpatrick: Bollinger Band, this line of central tendency. And so, here's the trade.

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00:02:40.260 --> 00:02:58.649

Dan Fitzpatrick: as long as this continues to run higher and does not break below this middle band, this is a stock that you just want to stay in. And yeah, if you're a real active trader, gosh, maybe just a little teeny tiny pullback here, is a good entry for me. Look.

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00:02:58.860 --> 00:03:16.960

Dan Fitzpatrick: You're late on this one. There's no question about it. This isn't a... this isn't a valid entry. If you buy here, you're probably gonna make money, just because I would say that \$344.15 is not the all-time high for this stock. But you want to be disciplined in what you're doing. And so...

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00:03:17.120 --> 00:03:31.859

Dan Fitzpatrick: This isn't a disciplined time to be buying the stock. What I'm saying is, this really isn't the time when you want to be selling all of your position, either. And I'm not just talking... I'm not just talking about this for momentum.

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00:03:31.860 --> 00:03:39.460

Dan Fitzpatrick: This is the same with so many trades, so many stocks that are doing well. The 8-day EMA,

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00:03:39.670 --> 00:03:49.980

Dan Fitzpatrick: Excuse me. The 8-day EMA will support a really, really strong trend, but oftentimes, the stock will get a little bit tired.

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00:03:50.170 --> 00:03:54.069

Dan Fitzpatrick: Fall through the 8-day EMA, but then it'll be caught.

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00:03:54.250 --> 00:04:12.830

Dan Fitzpatrick: on the 20-day expona... or the 20-day simple moving average, actually, or the 21-day moving average, which is what a lot of traders use. And so then you would look at this and say, alright, well, the breakdown below the 8-day, that just turned out to be a shakeout. That was a...

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00:04:12.830 --> 00:04:27.239

Dan Fitzpatrick: Pretty good entry, pretty good opportunity to buy. And then you just watch the stock, and frankly, then the next time, it would fall down to the 20, that's your better entry. So we want to ride this stuff on the way up.

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00:04:27.460 --> 00:04:35.810

Dan Fitzpatrick: trade around your position, and also just be mindful of this distinction between the 8-day EMA

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00:04:35.840 --> 00:04:52.179

Dan Fitzpatrick: and the 21-day simple moving average. Both are really, really great and valid sources of support, so don't just disregard them, alright? Okay, that's all I got for you. Members, get over to today's strategy session.

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00:04:52.180 --> 00:05:10.850

Dan Fitzpatrick: Because, we covered a lot of good... a lot of really, really good information about what's coming up in December, and also went through a lot of, lot of really good trade ideas that you guys had, so check that out. If you're not a member, you can fix that right now, and, join for...

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00:05:11.210 --> 00:05:12.230

Dan Fitzpatrick: 7 bucks.