STOCK MARKET MENTOR®

Chart of the Day
Here's your trade on Memory/Storage. $WDC $MU $SNDK $STX

January 9, 2026

Dan emphasizes that the storage and memory sector—specifically companies like SanDisk (SNDK), Western Digital (WDC), Micron (MU), and Seagate (STX)—is the "hidden backbone of AI." Despite recent massive rallies, Dan believes these stocks are still in the early stages of a long-term bull cycle. He highlights SanDisk's recent institutional buying on record volume as a signal of high conviction, projecting that the stock could eventually reach $1,000 by 2027. While acknowledging the current volatility and the potential for a technical "Phase 2" pullback to test breakout levels, Dan advises holding core positions in long-term retirement accounts while tactically trading around short-term targets.

Next Steps:

1. Execute the "Phase 3" Entry in Western Digital (WDC): Watch for WDC to resume its upward trajectory after completing its current Phase 2 pullback. Dan notes that the breakout is being tested, and a successful hold here signals a move into a high-momentum Phase 3.
2. Manage SanDisk (SNDK) Volatility: Track SanDisk's price action relative to the Middle Bollinger Band. Dan warns that while a 30-40% pullback would be technically healthy for the trend, short-term traders should use the recent intraday low as a stop-loss (roughly a 12% risk) to avoid getting caught in deep retracements.
3. Target Short-Term Exits: Monitor price targets for partial profit-taking. Dan plans to let some shares go as short-term trades when SanDisk hits $400 and Western Digital reaches $220.
4. Monitor Institutional Volume: Keep a close eye on weekly volume bars. The recent high-volume move in SanDisk confirms massive institutional accumulation; look for similar "heavy" buying on up-days in Micron and Seagate to confirm sector-wide strength.
5. Audit Fundamental Tutorials: Members should review Dan's recent 90-minute tutorial, which specifically covers fundamental metrics like margins and up-down volume ratios for the storage sector—data Dan rarely dives into but considers critical for this "hidden backbone" thesis.
6. Prepare for Book Launch: Watch for the release of Dan's new book, *"7 Deadly Trading Mistakes and How to Fix Them,"* which will further detail the structural shift he sees in AI-related infrastructure.

Transcript:

1

00:00:02.220 --> 00:00:06.219

Dan Fitzpatrick: Okay, hey everybody, Dan Fitzpatrick here, as you can see.

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00:00:06.220 --> 00:00:30.359

Dan Fitzpatrick: Stock Market Mentor, I just… I just finished a tutorial for our members that I… I don't know, I think it went over an hour, about an hour and a half, even. If you're a member, you may want to check that out, because I went into some fundamental analysis, which, typically, I don't go into, and most people don't know much about, so I went into margins and up-down

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00:00:30.380 --> 00:00:40.949

Dan Fitzpatrick: volume and a lot of different things, so definitely check that out. By the way, if you're not a member, for $7, you can be, for 2 weeks.

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00:00:43.320 --> 00:00:54.439

Dan Fitzpatrick: So maybe you do that. So, I want to talk about SanDisk here, and I've talked about this a lot lately. I did cover it, in, in some pretty good detail.

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00:00:54.830 --> 00:01:04.530

Dan Fitzpatrick: In this tutorial, I will tell you this, I mentioned this to, to, our, our members, so you know. I'm actually writing a book.

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00:01:04.680 --> 00:01:07.490

Dan Fitzpatrick: On, like, this is all…

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00:01:09.250 --> 00:01:24.889

Dan Fitzpatrick: structure, the hidden backbone of AI. And, it's gonna be a pretty thick, dense book, but it's about investing. I'm not morphing over to the engineer, to the engineer, side of things, but I really feel like,

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00:01:25.520 --> 00:01:36.959

Dan Fitzpatrick: I really feel strongly that the storage and memory space, stuff like SanDisk and Western Digital, and, and Micron, Seagate.

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00:01:36.960 --> 00:01:49.850

Dan Fitzpatrick: A few others. Those are kind of the big ones, though, and this one's, of course, SanDisk. I really feel like they're actually just kind of getting started. It sure as hell doesn't look that way, does it?

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00:01:49.890 --> 00:02:01.190

Dan Fitzpatrick: Definitely doesn't. Looks like these things have been off to the races, and the easy money's been made, and all that, and I don't think so. I think that

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00:02:01.450 --> 00:02:14.980

Dan Fitzpatrick: I think there's a lot more money to be made, just not tomorrow. Well, because tomorrow's Saturday, but for a… you can trade around these, like here. You know, I bought some of this today. When it gets up to $220,

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00:02:15.090 --> 00:02:17.819

Dan Fitzpatrick: I'll probably let a little bit go.

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00:02:17.940 --> 00:02:29.229

Dan Fitzpatrick: As a short-term… just as a short-term trade, but I don't plan on selling all of this for a long time. Same thing with, with SanDisk.

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00:02:30.240 --> 00:02:42.339

Dan Fitzpatrick: When it gets up to 400, and it will, I'll probably let a little bit go, and you could say, wow, you know, you can't buy this. Well, I won't buy it at $1,000.

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00:02:43.100 --> 00:02:50.879

Dan Fitzpatrick: But I'll probably sell it at $1,000. Probably not this year, but my bet is next year. Prove me wrong.

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00:02:50.880 --> 00:03:08.469

Dan Fitzpatrick: So, what I wanted to just talk about in this free video here is that, this looks like… SanDisk looks like it's too high to buy, but, I've kind of shown you the big picture here. Like, I don't look at 377.41, oh, that's the top.

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00:03:08.850 --> 00:03:10.779

Dan Fitzpatrick: That's… that's not the way…

18

00:03:12.430 --> 00:03:27.410

Dan Fitzpatrick: It's not a good way to trade. The trend here is our friend, but it's getting a little bit saucy. It's getting a little volatile, and so we have to be mindful of this volatility, and are you… are you willing…

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00:03:27.410 --> 00:03:32.510

Dan Fitzpatrick: to ride a pullback down 15%. You willing to ride a pullback down

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00:03:32.510 --> 00:03:43.690

Dan Fitzpatrick: like to here, maybe even to 250, but more like, are you willing to ride one down? This is like 30%. And all this would do, like, if this stock came…

21

00:03:44.270 --> 00:03:52.249

Dan Fitzpatrick: If this stock fell down to this line here, okay, that's almost 30%. Now, if it did that.

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00:03:52.670 --> 00:04:08.769

Dan Fitzpatrick: there would actually be nothing wrong with this trend. Yes, it got volatile, but all this stock did, like, let's say it does pull back that far, all it's done is retraced this volatility squeeze, this first phase pop.

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00:04:08.770 --> 00:04:15.270

Dan Fitzpatrick: The second phase of a squeeze is the pullback to test the breakout.

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00:04:15.340 --> 00:04:25.199

Dan Fitzpatrick: And that breakout happened, like, right around here. Now, what John Bollinger says is, on this type of a pullback.

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00:04:25.200 --> 00:04:37.799

Dan Fitzpatrick: what's really important is that the stock not fall clear through this middle Bollinger Band. Or another way you can look at it is, and I'm making this frickin' impossible for you,

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00:04:37.800 --> 00:04:44.349

Dan Fitzpatrick: another way you can look at it is not the middle Bollinger Band, but, like, if this was the…

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00:04:44.360 --> 00:04:58.879

Dan Fitzpatrick: the trading range here, it just can't fall through the middle. It can't fall through the middle, of this trading range before you have to say, okay, well, something's wrong with this. Okay, well, let's say that's 230.

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00:04:58.980 --> 00:05:07.979

Dan Fitzpatrick: Alright, so… That's a 40% pullback. I don't know about you, but I ain't riding anything down 40%.

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00:05:08.190 --> 00:05:22.210

Dan Fitzpatrick: And so, what you have to do is, you just have to decide how you're gonna trade this, and what your level of commitment is. For me, as a trade, there's no way I'd write it down 40%. Frankly, on a shorter-term trade.

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00:05:22.210 --> 00:05:33.430

Dan Fitzpatrick: I guess you could say, okay, well, I'd buy it here, and then I'd keep my stop a little bit below, this today's intraday low. That's about 12% or so. You could do that.

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00:05:33.430 --> 00:05:47.650

Dan Fitzpatrick: But you have to decide, pick your poison. What's my daily chart? I see all this volatility. This weekly chart, I see a really, really strong uptrend. Look at this price here. This is institutional, massive buying.

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00:05:47.850 --> 00:05:49.920

Dan Fitzpatrick: highest volume week.

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00:05:49.920 --> 00:06:12.310

Dan Fitzpatrick: in this stock's history here, at least this time around. So you just kind of have to decide how you're going to trade this, but you definitely want to own it. Same thing with WDC. I picked up some today, not as a trade, but as a… in my longer-term retirement account that I'm really trying not to trade, but rather just

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00:06:12.340 --> 00:06:31.560

Dan Fitzpatrick: get some positions and some stocks like this, and just let them go. So, I bought this, Phase 1 breakout, Phase 2 pullback, now it's looking… I've already drawn this line. Now it's looking like we're gonna go into Phase 3. So, these are two stocks, I think, that could really, that could really, really work for you.

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00:06:31.560 --> 00:06:38.610

Dan Fitzpatrick: And, you know what? I'm just gonna, I'll just leave that there. Check out…

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00:06:39.000 --> 00:07:02.379

Dan Fitzpatrick: my website, Stock Market Mentor, if you're not a member, I invite you to join. I'm doing a lot of work, along with Scott, but we're really, really ramping up a lot of things, and I'm going to be… in fact, I already have my pre-launch group that's been helping me with my book, that I'll release. I'd kind of hoped to release it already, but then vacation got in the way.

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00:07:02.460 --> 00:07:13.739

Dan Fitzpatrick: But, you can check that out pretty soon. 7 Deadly Mistakes, 7 Deadly Trading Mistakes, and how to fix them. I can't help you with the rest of your life. So, anyway, that's all I got. I'll see you guys Monday.