

Chart of the Day

If you are a sold out bull, here's how you get into a stock that's running away

January 21, 2026

Dan Fitzpatrick discusses the psychology and mechanics of managing a parabolic run, using **SanDisk (SNDK)** as the primary example. Following its successful spin-off from Western Digital in February 2025, SanDisk has become one of the hottest stocks in the market, surging over **70%** in the first few weeks of 2026 alone. As of **January 22, 2026**, the stock has cleared the major psychological **\$500.00** level, closing recently at **\$501.29**.

Dan emphasizes that the biggest challenge in a "face-ripping" rally is the emotional trap of being a **"sold-out bull"**—taking profits too early and watching from the sidelines as the stock continues to climb. To avoid this, he advocates for **trading in fractions** (selling 1/3 or 1/4 of a position) to lock in some gains while keeping the majority of the "core" position active to capture the full parabolic move.

Next Steps:

1. Audit the "Storage Horsemen": Monitor SanDisk's peers—Micron (MU), Western Digital (WDC), and Seagate (STX). While SanDisk is the leader, the entire group is benefiting from an unprecedented NAND flash scarcity driven by AI data center demand.
2. Monitor the \$500 Support: Watch to see if SanDisk can hold the \$500.00 level as new support. A successful retest of this psychological barrier would signal the next leg toward analyst targets, which were recently raised by Citigroup to \$511.00 - \$515.00.
3. Prepare for Earnings: SanDisk is scheduled to report its next quarterly results on January 29, 2026, after the market close. Expect heightened volatility and potential "breakaway gaps" leading into this event.
4. Join the Live Session: Mark your calendar for January 30th, where Dan will be trading SanDisk live to analyze the post-earnings price action. Interested members should email Karen at StockMarketMentor.com for access details.

Transcript:

1

00:00:01.800 --> 00:00:05.059

Dan Fitzpatrick: Alright, hey everybody, Dan Fitzpatrick here.

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00:00:05.070 --> 00:00:06.250

Dan Fitzpatrick: Yet again.

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00:00:06.250 --> 00:00:25.870

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Dan Fitzpatrick: And I want to talk about SanDisk, actually, and we're at Stock Market Mentor. If you're a subscriber, you know this, obviously. We're in all four of the big, storage, trades. SanDisk is definitely my favorite, also my biggest position. Micron works pretty good, too.

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00:00:25.870 --> 00:00:28.029

Dan Fitzpatrick: Western Digital.

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00:00:28.570 --> 00:00:35.889

Dan Fitzpatrick: Also, A winner, and Seagate, also a winner. Seagate, not... I mean...

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00:00:36.000 --> 00:00:47.790

Dan Fitzpatrick: We're up really nicely on this, but, not as much as the others. So, what I want to talk about here is SanDisk and, kind of how to get into this.

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00:00:48.230 --> 00:01:06.870

Dan Fitzpatrick: hopefully, I mean, you can't pile in now, but, we had a, I had a live training session just a few minutes ago, and one of the, one of my members was asking about this, like, hey, you know, how do I, how do I get in? And I forget, I forget whether she was,

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00:01:08.260 --> 00:01:25.880

Dan Fitzpatrick: I'll just talk to you for a minute. So, I forget whether she said she was already in. I think she was already in, and she wanted to add, to the position. And so, I thought this is a good opportunity. It just kind of gave me a sense of, maybe I need to talk about this to you,

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00:01:25.880 --> 00:01:30.500

Dan Fitzpatrick: In this free video, because it's really important.

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00:01:30.500 --> 00:01:42.489

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Dan Fitzpatrick: This is the way I see it. Every so often, it doesn't happen often, God, I wish it did. Every so often, you get... you see this stock, or maybe a group of stocks. We saw it...

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00:01:42.490 --> 00:02:00.340

Dan Fitzpatrick: in quantum computing, a while back. We saw it with the... some of the semiconductors. We saw it with NVIDIA a while back. We saw it with Palantir. Every once in a while, you'll see this stock or this opportunity that just goes

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00:02:00.340 --> 00:02:11.889

Dan Fitzpatrick: and really goes parabolic, and you're going like, crap, I didn't buy enough, or I didn't buy any, or I knew it was going up.

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00:02:12.650 --> 00:02:14.920

Dan Fitzpatrick: But I didn't buy it. Or...

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00:02:15.030 --> 00:02:32.150

Dan Fitzpatrick: Yeah, I really, really liked it, and I owned some, but I just kind of got nervous, and I took profits at 11%, and now it's up 15% more than when I bought it. What do I do? Stuff like that. That's called being a sold-out bull, and I gotta tell ya.

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00:02:32.150 --> 00:02:42.719

Dan Fitzpatrick: It sucks. I've been there, many times, but I'll never be there again, and I'm gonna show you exactly how to do that. First of all.

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00:02:43.280 --> 00:02:49.099

Dan Fitzpatrick: the main... The primary way that you can avoid being there

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00:02:49.100 --> 00:03:08.349

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Dan Fitzpatrick: is to always be trading in fractions, whether it's 50%, or you split your position up by thirds, or quarters, something like that. But it does... it doesn't even have to be formulaic that way. It can be...

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00:03:09.170 --> 00:03:22.249

Dan Fitzpatrick: you know, I got 150 shares, I want to take some profits, like, I don't know, man, maybe I'll sell 30 shares. Okay, well, that happens to be 20%, but it's not, it's 30 shares. Whatever. You just kind of...

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00:03:22.500 --> 00:03:42.960

Dan Fitzpatrick: You just make a decision to lighten up a little bit, and, oh, I want to sell into strength. All great traders will sell into strength. That's what they do, that's what you should do, that's what we should do. Everybody sells into strength, that way, but it doesn't mean that you have to liquidate your entire position.

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00:03:43.000 --> 00:03:53.540

Dan Fitzpatrick: into strength. Because when you do that, I mean, sooner or later, you gotta close everything out, but when you do that, when you sell your whole position into strength.

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00:03:53.620 --> 00:04:04.860

Dan Fitzpatrick: Look, what you're really doing is saying, this is the top, this is why I'm selling it all. And so, maybe you've made a good trade, but if the stock goes up another 15%,

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00:04:05.670 --> 00:04:09.350

Dan Fitzpatrick: I mean, you have to acknowledge that you're wrong.

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00:04:09.380 --> 00:04:12.040

Dan Fitzpatrick: You have to acknowledge that you mucked up

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00:04:12.040 --> 00:04:30.039

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Dan Fitzpatrick: the exit, because if somebody said, yeah, you can sell now, but you know you're gonna miss out on another 15%, you would have said, okay, well, I'm not gonna sell now. Thanks for the tip. And you would have hung on to it. So, look, don't make any mistake, and don't frickin' patch yourself on the back. Oh, I sold into strength.

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00:04:30.040 --> 00:04:50.320

Dan Fitzpatrick: The idea is to make as much money as you can on a trade that's working. If you put your money in a trade, and it really starts smoking, you want to pack it on, you want to make as much flipping money as you can, okay? Why? Well, that's the nature of trading, that's what we want to do. But, getting back to math.

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00:04:50.590 --> 00:05:01.989

Dan Fitzpatrick: You're gonna be losing on a bunch of trades, too. They call it speculating, it's not winning. It's not money harvesting. We... dollars don't grow on trees.

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00:05:02.840 --> 00:05:08.070

Dan Fitzpatrick: they just... I had a joke there, but I'm not gonna tell it. The bottom line, though, is...

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00:05:08.490 --> 00:05:25.859

Dan Fitzpatrick: you're gonna be wrong on trades. Every once in a while, you might even really screw the pooch and take a bigger loss than you should, and you're kicking yourself over it. Well, when you can make a lot of money on one particular trade, you want to take advantage of that, because then it makes up for all those

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00:05:25.860 --> 00:05:39.790

Dan Fitzpatrick: errors, all those mistakes, all those trades that maybe they were great trades, but they didn't make you money. And you can lose money on a good trade. If you... if you traded it correctly, if you followed your process.

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00:05:40.630 --> 00:05:46.479

Dan Fitzpatrick: sometimes the stock's gonna give you the other exit. It's gonna give you your,

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00:05:46.910 --> 00:06:05.550

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Dan Fitzpatrick: your loss, your stop loss, it's gonna hit your stop loss. But if you've framed your trade correctly, and you've taken an adequate assessment of what the two sides of risk are, the risk of losing money versus the risk of missing out on making money, if you've got that thing dialed in, then

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00:06:05.550 --> 00:06:07.030

Dan Fitzpatrick: You know, okay, well...

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00:06:07.040 --> 00:06:24.309

Dan Fitzpatrick: Shit, I took a loss on that one, that's okay. Live to fight another day. But you can live to fight another day with a lot more dough if you are really making a lot of money on those few trades that are working really, really well.

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00:06:24.310 --> 00:06:27.919

Dan Fitzpatrick: So with that, I hope that makes sense to you.

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00:06:27.920 --> 00:06:37.610

Dan Fitzpatrick: But with that, I'm going to go ahead and share my screen, and then we'll look at SanDisk. And, in particular, the one thing I want to show you

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00:06:37.770 --> 00:06:40.449

Dan Fitzpatrick: is I want to show you how

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00:06:40.920 --> 00:06:45.990

Dan Fitzpatrick: How you can add to a position responsibly.

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00:06:46.200 --> 00:07:05.049

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Dan Fitzpatrick: And even take a new position, although, you know, it's a little problematic to do that here. But there's a couple ways. So, let's say you got in down here, somewhere in here, okay, on this breakout, above this pivot, and this thing moved really, really fast. But, so let's say you got in here, but you didn't get enough.

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00:07:05.270 --> 00:07:21.280

Dan Fitzpatrick: And you're going, crap, you know, I wish I had more, and you're waiting for the big pullback that doesn't come. Now, if the big pullback doesn't come, that means it's a really strong stock, stronger than you had thought that it would be, because otherwise you would have bought more. So...

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00:07:21.690 --> 00:07:30.509

Dan Fitzpatrick: Okay, that's the way the trading game works, but you want to buy more. So, there's a couple different ways you can do it. First of all, you would look and say.

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00:07:33.170 --> 00:07:42.699

Dan Fitzpatrick: I'm trying to think of how to frame this. Okay, so let's say you're looking to buy this during the day. I mean, ultimately, it closes up at 5.06.

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00:07:42.700 --> 00:08:01.449

Dan Fitzpatrick: And that doesn't surprise me, I talked about this live. This thing was bumping up against 500 for a while, and then what we're looking for is what happens right at the end of the day? Are there cleanup buy orders? Boom. Or did, all the desk traders who were filling big orders, did they already get enough?

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00:08:01.450 --> 00:08:15.029

Dan Fitzpatrick: and then the stock just crashes down, or just pulls back, because all the buyers have left the building. As it turns out, they hadn't left the building. Shoot, they're still trading now. So... but let's say during the day,

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00:08:15.840 --> 00:08:27.010

Dan Fitzpatrick: You're saying, crap, this thing went up, it gapped up again today, I'm bummed out, it's at \$475 now, dang it, I knew I shouldn't have sold everything, so what am I gonna do?

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00:08:27.490 --> 00:08:38.299

Dan Fitzpatrick: As it turns out, you would have been right to do that here. But let's talk about making an intraday decision. So, you're looking at the stock at 475,

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00:08:38.299 --> 00:08:49.989

Dan Fitzpatrick: And it's... it looks really, really overbought, but you really kind of want to... you still want to really make a trade. You want to get into the stock. So what you're doing... what you do is... let's see,

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00:08:51.010 --> 00:08:56.500

Dan Fitzpatrick: Okay, so it's at... it's at 475, like... right here.

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00:08:56.920 --> 00:09:01.020

Dan Fitzpatrick: We'll say it's 480.

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00:09:01.160 --> 00:09:04.759

Dan Fitzpatrick: So I can... I can show you what I'm talking about.

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00:09:06.690 --> 00:09:28.870

Dan Fitzpatrick: So, you want to buy the stock. This is the 15-minute chart. You've seen what the daily chart looks like. This is really kind of scary, to be doing this. But what you can use is the intraday volume-weighted average price as your reference for, the trend for the day, because when a stock is above the VWAP, volume-weighted average price, and they're both drifting higher.

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00:09:28.870 --> 00:09:32.290

Dan Fitzpatrick: That tells you that pullbacks are being bought.

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00:09:32.290 --> 00:09:51.339

Dan Fitzpatrick: like, whenever the stock gets back to the average price, over the last day, there's buyers coming in saying, great, I'll take it, it's not overbought, I'm buying right at the average price, and then the stock continues to move. So, if you are buying this intraday, you want to look at the VWAP and say, okay,

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00:09:51.980 --> 00:10:15.309

Dan Fitzpatrick: I'm gonna buy this stock. God, it's run a lot, but I'm gonna buy it, I'm gonna treat it as a new trade, and I'm gonna use the volume-weighted average price as a reference point. Shoot, while I've been talking here, yippin' in this stupid video, it's now, it's up at 485. So what am I gonna do? I'm still using the VWAP. Right here, it's at 471.

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00:10:15.310 --> 00:10:21.969

Dan Fitzpatrick: 26. So what I do is... I buy the stock.

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00:10:22.280 --> 00:10:39.169

Dan Fitzpatrick: Where is it? Like, I'll buy the stock when it's here. Crap, it's at 485, 486, 487. I'm gonna use the volume-weighted average price as my reference, right here. So if I'm buying here, and I'm gonna sell down here, I am risking 3%.

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00:10:39.420 --> 00:10:46.969

Dan Fitzpatrick: on a massively overbought stock. Massively overbought, but I have a logical reason for buying

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00:10:47.180 --> 00:10:53.579

Dan Fitzpatrick: when I'm buying, and for putting my stop where I want to put, where I want to say, okay.

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00:10:53.580 --> 00:11:08.230

Dan Fitzpatrick: If the stock... I know I'm really late on the daily chart, but the stock's still moving. If the stock falls below the VWAP, I'm gonna get out, I'm gonna get out gracefully, maybe with my tail between my legs a little bit, and say, well.

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00:11:09.050 --> 00:11:11.329

Dan Fitzpatrick: I tried to chase this stock.

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00:11:12.010 --> 00:11:20.030

Dan Fitzpatrick: seemed like it would work, but it didn't, so I'm out for a 3% loss. As it turns out, you're not out

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00:11:20.310 --> 00:11:23.239

Dan Fitzpatrick: By now, a few days, or a few,

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00:11:23.350 --> 00:11:41.050

Dan Fitzpatrick: you know, 15-minute frames later, a couple hours, what do we got? What do we got? We got a 4% gain, and you're in the stock. So, that's one way that you can be... that you can be getting into here. Another... another way, kind of a similar.

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00:11:41.550 --> 00:11:52.819

Dan Fitzpatrick: a similar way, much simpler, is to just use the prior day's intraday range. Like, this is kind of ridiculous, because it's up 12% today, but...

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00:11:53.390 --> 00:11:55.080

Dan Fitzpatrick: Let's say it wasn't.

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00:11:55.240 --> 00:11:56.640

Dan Fitzpatrick: Even if it was.

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00:11:56.680 --> 00:12:14.699

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Dan Fitzpatrick: Tomorrow, you look at this and you go, crap, now it's up at 510, I want to buy some. Okay, so you can do that, and then what's your drop dead? What do you... how do you know whether this thing went parabolic and now it's reversing, as they all do eventually? You say, well, if we get a complete reversal.

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00:12:14.700 --> 00:12:29.720

Dan Fitzpatrick: If the stock, let's say it gaps up in the morning, and it may very well do that, but then it pulls all the way back down to here, okay, that's the time that Elvis needs to leave the building. That's the time where I need to say, you know what?

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00:12:32.170 --> 00:12:45.920

Dan Fitzpatrick: That is not my kind of pattern, and you're out of there. So this is one way that you've framed a trade. Now, you're risking, like, 13% to do that, that's why I like the VWAP method better, but it's one way

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00:12:45.920 --> 00:12:53.760

Dan Fitzpatrick: two ways, actually, that you can get into a stock that's massively overbought. Now, there's a lot of good traders.

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00:12:53.820 --> 00:12:55.459

Dan Fitzpatrick: Frankly, most of them.

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00:12:55.550 --> 00:12:57.860

Dan Fitzpatrick: would look at me and say, Dan.

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00:12:58.060 --> 00:13:01.690

Dan Fitzpatrick: what the heck are you doing? That's a stupid way to trade.

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00:13:02.060 --> 00:13:04.719

Dan Fitzpatrick: And... They would be right.

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00:13:04.990 --> 00:13:07.730

Dan Fitzpatrick: But what else are you gonna do?

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00:13:07.990 --> 00:13:14.790

Dan Fitzpatrick: If you missed a good move, and you really think the stock's going higher, and you want to get involved.

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00:13:15.540 --> 00:13:20.849

Dan Fitzpatrick: I don't know, I mean, the other way to do it is say, okay, well, I missed that, dammit,

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00:13:22.040 --> 00:13:38.390

Dan Fitzpatrick: So be it. And you could do that, and most of the time, that's a good... that's a good practice. You say, nope, I'm waiting for my entry, and then I'm gonna go ahead. Then I'm gonna go ahead and buy. But I'm waiting, for the best entry, which, by the way, would have been back here.

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00:13:38.410 --> 00:13:46.010

Dan Fitzpatrick: The other thing is, like, sometimes you just get the can't-help-its, and you go, I just want a small position. Just a small position.

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00:13:46.660 --> 00:13:52.909

Dan Fitzpatrick: I've just shown you how to do that. By the way, we're gonna be trading, SanDisk live.

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00:13:52.910 --> 00:13:57.869

Dan Fitzpatrick: on January 30th. So, if you're interested in doing that with me.

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00:13:57.870 --> 00:14:13.260

Dan Fitzpatrick: You can let Karen know. I think we're sending out emails letting people know, how they can get in on that, or you can just email karen at stockmarketmentor.com, and she'll give you the appropriate information. Okay, so, that's all I got for you.

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00:14:13.380 --> 00:14:14.709

Dan Fitzpatrick: I'll see you next time.