

Chart of the Day

Here's your trade on Gamestop (\$GME)

January 26, 2026

Dan identifies an explosive momentum setup in GameStop (\$GME) on Monday, January 26, 2026, sparked by famed "Big Short" investor Michael Burry disclosing a new long-term long position via his Substack. This catalyst drove the stock to clear its long-standing 200-day moving average resistance on massive volume of over 36 million shares, its highest activity since October. Dan emphasizes that the stock's character shifted intraday around 11:45 AM, when it reclaimed its Volume-Weighted Average Price (VWAP) following the Burry news, signaling a transition from heavy selling to institutional accumulation. However, the stock hit a critical technical "wall" at \$25.00, and Dan cautions that Tuesday's trade hinges entirely on whether GME can decisively break above this psychological ceiling. If it fails to trade over \$25 early in the morning, the trade is essentially in "no man's land" and should be ignored; but a successful breakout would clear the path for "blue sky" momentum, potentially adding another 1 to 3 points as previous bag holders have already been washed out.

Next Steps:

1. Monitor the \$25.00 Breakout: Do not "front-run" or predict this move. Set a price alert for a decisive move above \$25.00. Dan notes that if GME clears this level, there is "blue sky" ahead, as most bag holders from 2025 have already panicked out.
2. Apply the "Opening Rotation" Rule: If GME does not trade above \$25.00 early on Tuesday morning, move on. There is no trade in "no man's land" between \$23 and \$25.
3. Stalk the "Blue Sky" Target: If the \$25 pivot holds, look for a quick run of 2-3 points higher. On a percentage basis, this represents a significant swing trade opportunity.
4. Manage Risk with VWAP: If you enter the trade, use the intraday VWAP as your trailing stop. As long as the price stays above this yellow line, the "clean-up" buy orders are still active.

Transcript:

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00:00:01.800 --> 00:00:07.210

Dan Fitzpatrick: Okay, happy Monday. Dan here, and I want to look at GameStop today.

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00:00:07.230 --> 00:00:13.660

Dan Fitzpatrick: This is definitely not my typical trade, but if I see something, if I see an interesting

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00:00:13.680 --> 00:00:32.509

Dan Fitzpatrick: situation. I'll go ahead and pass it along to you guys. And so this stock is, like, sloppy, choppy, crappy, yucky. It has been for quite a while, ever since, all the... I think it was Melvin Capital or some dude like that got abs... got his ass handed to him.

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00:00:32.509 --> 00:00:34.519

Dan Fitzpatrick: By Raging Kitty.

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00:00:34.520 --> 00:00:41.300

Dan Fitzpatrick: And his guys, personally, I kind of like that when a hedge fund dude is short a stock that's \$1,

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00:00:42.020 --> 00:00:52.950

Dan Fitzpatrick: Okay, whatever. Anyway, so I want to get back to this rather than editorializing. So, we'll look at the daily chart here, and you can see this thing had been trying

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00:00:52.950 --> 00:01:03.260

Dan Fitzpatrick: to get above the 200-day moving average, and even failed on Friday and then Thursday. So, this has really been formidable resistance, bam, here.

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00:01:03.370 --> 00:01:05.390

Dan Fitzpatrick: Here.

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00:01:05.470 --> 00:01:20.000

Dan Fitzpatrick: Didn't make it here, and then finally here for last week. So, look at this volume here. It's like massive volume, just today, alright? So, that's... that'll get my attention as an active... as an active trader.

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00:01:20.000 --> 00:01:39.210

Dan Fitzpatrick: So, you know, you can look at this momentum indicator that I use. This is also... we like the gray lines. We like them even better when they turn green, they just have to be a little bit higher than that. But we'll look and see why this actually did what it did, because it kind of sets up our trade

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00:01:39.210 --> 00:01:42.120

Dan Fitzpatrick: for tomorrow. And if you... you look at this.

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00:01:42.750 --> 00:01:45.330

Dan Fitzpatrick: Like, this is 25 bucks here.

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00:01:46.020 --> 00:01:53.550

Dan Fitzpatrick: This is 24 bucks here. So, this isn't, like, this big, massive, massively volatile...

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00:01:53.630 --> 00:02:07.050

Dan Fitzpatrick: stock. You can trade this. You can trade this, but I want to show you this on a four-window multi-timeframe analysis. So, this is just a 5-minute chart from today.

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00:02:07.850 --> 00:02:24.169

Dan Fitzpatrick: And, let me just go just regular hours, so this kind of cleans things up a little bit. So, this is the chart for today. Pops up a little bit, and then magically, right around here at around 11.45, this thing starts taking off.

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00:02:24.210 --> 00:02:41.179

Dan Fitzpatrick: So, what was it that made this happen? It was because Michael Burry, of, what is it, the short seller, I forget the name, but it's a hell of a movie, with, Steve Carell.

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00:02:41.920 --> 00:02:54.489

Dan Fitzpatrick: I should be able to remember that, but maybe I'm just getting old. Hell of a movie. I like the alligator in the pool. So, anyway, right about here, he came out and said, yeah, yeah, I've been buying it. But then...

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00:02:54.490 --> 00:03:13.760

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Dan Fitzpatrick: subsequent to that, then he... he actually did come back and say that, that he was really kind of buying it more as an investment. But that doesn't matter with the Wall Street Bet gang and other people that follow this kind of stuff, especially with this hit... with this pedigree.

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00:03:14.840 --> 00:03:39.799

Dan Fitzpatrick: back here, of this stock just screaming and just killing people, so people will love to come back to the well one more time. That's what I think's happening here. You can see this, canary, or orange, or yellow line, whatever you want to call it. This is the volume-weighted average price line. And the idea is, when the stock, and this is just intraday stuff, when the stock is above this line, that indicates

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00:03:39.800 --> 00:03:51.330

Dan Fitzpatrick: that buyers are coming in. Like, buyers are wanting this stock, it pulls back to this particular level, they suck up all the supply, and then they push it up a bit, and then they go, okay, that's enough.

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00:03:51.350 --> 00:04:05.859

Dan Fitzpatrick: And then the stock pulls back down to that same general area, and then the buyers are coming in again. So, that's... that's what we like to see. Alright, so you saw this, after the Burry announcement, though, notice that before.

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00:04:06.230 --> 00:04:07.970

Dan Fitzpatrick: that announcement.

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00:04:09.030 --> 00:04:15.730

Dan Fitzpatrick: This thing had gapped up and then was under severe selling pressure. So, once it does this, boom.

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00:04:15.730 --> 00:04:33.380

Dan Fitzpatrick: That really, really puts a whole new dynamic onto the stock, and then it just continues to run, right? Well, at some point, the buying kind of peters out. It just trades sideways and then, starts to trade down a bit. So, what do we do?

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00:04:33.380 --> 00:04:37.989

Dan Fitzpatrick: tomorrow on this. Well, there could be a good trade here, or...

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00:04:38.180 --> 00:04:40.139

Dan Fitzpatrick: There could be no trade at all.

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00:04:40.570 --> 00:04:47.890

Dan Fitzpatrick: This is the way that I would trade this. I look at this range... right here.

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00:04:50.280 --> 00:04:53.359

Dan Fitzpatrick: This is like in no man's land.

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00:04:55.350 --> 00:04:58.039

Dan Fitzpatrick: You know, you're... it's, like, here.

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00:04:58.370 --> 00:04:59.630

Dan Fitzpatrick: It's yellow.

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00:04:59.780 --> 00:05:16.779

Dan Fitzpatrick: You need to be careful when it's in this range. If, because this stock will be highly watched tomorrow, the high was \$2501. So, by the way, do you think people were in this stock going, like, if this bad boy goes up to 25, I'm ditching it all? Yeah.

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00:05:16.780 --> 00:05:28.190

Dan Fitzpatrick: That's why I look at this 25 level as being a real serious, wall that you don't want to be messing around with, and what I mean by that is.

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00:05:28.190 --> 00:05:42.560

Dan Fitzpatrick: you can say, well, I'm gonna buy it now in anticipation, because then when it breaks through this ceiling, then I'm gonna make a lot of money. Well, that's a lot of words that don't mean anything good. First of all.

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00:05:42.750 --> 00:05:44.619

Dan Fitzpatrick: When you say when.

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00:05:45.430 --> 00:06:00.319

Dan Fitzpatrick: you're really on, you're really on thin ice. You can say, I will buy this stock when and if it breaks through a particular pivot point, and then my alert is triggered. That is when

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00:06:00.320 --> 00:06:18.479

Dan Fitzpatrick: I would buy the stock. But if instead you're using when, it's just like I'm predicting that this is gonna happen, I'm just telling you, man, you may be... you may be proven right in that prediction, and that just reinforces something that you really don't want to be doing. So, let's not do that. So, this is my suggestion.

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00:06:19.190 --> 00:06:22.980

Dan Fitzpatrick: If the stock doesn't trade above 25 in the morning.

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00:06:23.040 --> 00:06:42.279

Dan Fitzpatrick: then just kind of move on. Go ahead and set your alert like I did, but if it doesn't trade, over 25 in the morning, then there's just no trade here. Just go ahead and move on to something else. But if it does, that's when you can buy the stock, because, like, nobody's been in at this level here.

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00:06:42.280 --> 00:06:47.130

Dan Fitzpatrick: since last October. So this, for all intents and purposes.

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00:06:47.130 --> 00:07:05.589

Dan Fitzpatrick: is just blue sky. I mean, when the stock's up here, then it trades all the way down here, okay? Way back when, October. Then it's traded all this area here. You don't re... you can't really assume that there's anybody who bought up here and is unhappy and just gotta sell the stock.

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00:07:05.670 --> 00:07:25.060

Dan Fitzpatrick: you can't assume that they haven't taken advantage of this and panicked out and said, GameStop, shname stop, I gotta get out of here, we'll rename GameStop to PainStop. So, they've already gotten out of this stock, meaning that if the stock, notice I didn't say when, if the stock

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00:07:25.280 --> 00:07:48.720

Dan Fitzpatrick: runs above 25, you're probably gonna see, 1, 2, or 3 points, higher, which, on a percentage basis, that kind of matters, okay? So, that's it. Members, get to the, strategy session, from a live session today. I covered a lot of different things about trading styles and tactics and mindset games.

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00:07:48.720 --> 00:07:50.749

Dan Fitzpatrick: That you're not really gonna hear.

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00:07:50.750 --> 00:07:58.380

Dan Fitzpatrick: Anywhere else. So, I just... I think it's in... from what the comments that I was making, or the comments that I was getting.

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00:07:58.380 --> 00:08:14.080

Dan Fitzpatrick: indicate, the stuff that I talked about really resonated with people today. So definitely take advantage of that. And if you're not a member of Stock Market Mentor, you might wanna, might wanna check it out, okay? Alright, that's all I got for you. See y'all next time.