STOCK MARKET MENTOR®

Chart of the Day
Use these implied moves to frame your trades on 3 of the Mag 7

January 28, 2026

Dan analyzed the post-earnings landscape for the "Big Three"—Meta, Tesla, and Microsoft—noting that while the S&P 500 briefly touched the 7,000 milestone, the real market direction will be determined by how these stocks settle relative to their "implied move" (the range the options market prices in for volatility). Meta ($META) delivered a massive beat with 33.5% revenue growth and significantly higher CAPEX guidance ($115B–$135B), effectively "flipping the bird" to the options market by blowing past its $711 upside target. Conversely, Microsoft ($MSFT) initially tanked below its implied downside of $453 but staged a "rubber band" reversal, highlighting a tactical opportunity for nimble traders to play reversals when a stock overextends beyond its expected range. Ultimately, Dan remains focused on capital expenditures in the AI sector—specifically memory and storage—as the primary driver for long-term growth.

Next Steps:

1. Monitor Meta's Momentum: Watch if $META can sustain its move above the $711 implied move level. If traders who bet on a smaller range are forced to cover, the stock could continue to run significantly higher.
2. Execute Microsoft ($MSFT) Mean-Reversion: Observe if the stock gravitates back toward the $453–$503 "yellow box" range by Friday's close. If you are trading the reversal, use the one-minute chart "pro tip": wait for the first green open bar and set a stop just below the post-market low of $442.55.
3. Neutral Stance on Tesla ($TSLA): Since the stock remained largely within its $25 implied move range ($250–$300 area), avoid taking a high-conviction directional bet until a clearer trend emerges.
4. Focus on AI Storage Stocks: Prepare for upcoming earnings in the memory chips and storage sub-sectors, which Dan identifies as his preferred "sexy AI deal" over more crowded AI trades.
5. Live Trading Prep (Friday Morning): 59-Minute Trader graduates should join Dan live at 6:00 AM PT for a pre-market session to strategize on storage stocks and post-earnings volatility.
6. Inquiry for Live Session: If interested in joining the live trading session but lacking access, email Karen at stockmarketmentor.com for registration details.

Transcript:

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00:00:01.900 --> 00:00:21.870

Dan Fitzpatrick: All right, everybody. Hey, Dan Fitzpatrick here, Stock Market Mentor. Yeah, you probably knew that already. So I want to look at, the big three that reported earnings after, after the bell today. First, just kind of a general overview. The S&P, at one point today.

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00:00:21.870 --> 00:00:33.430

Dan Fitzpatrick: was up above 7,000, like, barely by 2 points. So that's, like, a new high, but it's also given us a sense that maybe.

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![Stock Market Mentor logo]

00:00:33.430 --> 00:00:41.499

Dan Fitzpatrick: we're gonna continue higher. We'll, we'll really see tomorrow, how the market reacts. So, like, right now.

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00:00:41.500 --> 00:01:00.830

Dan Fitzpatrick: the Qs, the NASDAQ 100 ETF, are up, 3 quarters of 1%. In the regular hours, they're just out up .33. So, these earnings reports, have definitely buoyed, the market a little bit as far as what's going on tomorrow. This is the…

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00:01:00.890 --> 00:01:19.770

Dan Fitzpatrick: this, the post-earnings run. Not a big deal, but it's indicative. I'm caring less about what the actual number is, and more just about what the chart looks like. So, we've got Meta, Tesla, and Microsoft that reported earnings.

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00:01:20.190 --> 00:01:24.000

Dan Fitzpatrick: after the bell. And so, what I tend to do…

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00:01:24.130 --> 00:01:28.239

Dan Fitzpatrick: if I'm… if I'm thinking about trading these things.

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00:01:28.650 --> 00:01:42.069

Dan Fitzpatrick: either prior earnings, prior to earnings release, or the next day, is I will look for the implied move, and that is just the, the move that the options market, is pricing in.

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00:01:42.360 --> 00:01:59.389

Dan Fitzpatrick: for this… for these stocks, like, the highest and the lowest, like, what's the implied move? How many… how many bucks? That kind of thing. And so I went, before I did this, before I'm doing this video here, is I went and marked these all out. And,

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00:01:59.390 --> 00:02:11.000

Dan Fitzpatrick: The yellow box here shows what the options market implied the maximum upside move to be, which is right around 7-Eleven, something like that, and these aren't perfect, but they're… they're…

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00:02:11.110 --> 00:02:28.310

Dan Fitzpatrick: almost dead balls on. And then on the downside, to $625. And so the idea is, and the options expire on Friday, so just in a couple more trading days, and the idea is that the market, excuse me, the options market

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00:02:28.690 --> 00:02:35.900

Dan Fitzpatrick: Is anticipating that the stock will basically close

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00:02:35.950 --> 00:02:55.270

Dan Fitzpatrick: inside this range on Friday afternoon. It doesn't mean that the stock's gonna stay in this range, but it means that that's really where the stock's likely to gravitate to, is back into this yellow box someplace. And so, like, this is what this looked like before

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00:02:55.700 --> 00:03:11.680

Dan Fitzpatrick: meta-reported earnings. So you can see any implied move. It doesn't say, oh, you know, it can go up by 18 bucks, but down by 4. No, it just gives you one number and says, in this case, the implied move is 40.

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00:03:11.680 --> 00:03:18.730

Dan Fitzpatrick: $43 on Meta. That's what the implied move was. And so that says that the upside

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00:03:19.130 --> 00:03:35.860

Dan Fitzpatrick: from where the stock is now, is up to $7.11. So that's what, that's what the implied move is on Meta. Again, this is before earnings. Up to $7.11, and that $43 subtracted from that

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00:03:35.860 --> 00:03:39.219

Dan Fitzpatrick: Price of the stock, again, prior to earnings.

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00:03:39.220 --> 00:03:53.029

Dan Fitzpatrick: Prior to the close. The downside move is 625, so the options market says, hey man, no matter what this thing's doing, it's gonna go between here and down here. And so, what does the stock actually do?

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00:03:53.470 --> 00:04:06.410

Dan Fitzpatrick: It basically… this is known as the flip the bird at the options market trade. The stock goes way up above the implied move, what the move implies, and…

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00:04:06.410 --> 00:04:19.200

Dan Fitzpatrick: A lot of times with this kind of thing, it'll just keep going, tomorrow. I don't know for sure, nobody does, but just know that the stock is supposed to fall back here. Now.

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00:04:19.250 --> 00:04:32.839

Dan Fitzpatrick: This is what's important, and I'm not making a… I'm not making a market call because only an idiot would make a market call. You just don't know what the stock's gonna do, but just kind of anticipating certain things.

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00:04:33.090 --> 00:04:39.170

Dan Fitzpatrick: If the stock continues higher, then everybody

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00:04:39.510 --> 00:04:52.979

Dan Fitzpatrick: betting on this implied move, and that's a pretty big market in Meta, which traded over 31 million shares. Everybody that bet on this implied move being correct is gonna be scrambling.

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00:04:52.980 --> 00:05:12.320

Dan Fitzpatrick: And so we could see this stock, continue to run higher. Now, one of the things, one of the little jokes, it's not really a joke, but it kind of is, I have to say that it is, that I say all the time with Meta, is that you never want to bet against a sociopath. That's kind of been the running joke.

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00:05:12.320 --> 00:05:18.400

Dan Fitzpatrick: As long as… Mark Zuckerberg's been labeled by me.

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00:05:18.530 --> 00:05:43.340

Dan Fitzpatrick: as a sociopath, and that runs on about 20 years. And so, you know, sooner or later, man, the guy's gonna… and he's brilliant as hell, obviously. So sooner or later, the guy's gonna figure out a way to get this stock jacked up, and that's definitely what's happening here. So I think their, their guidance and all that stuff was really, really solid. Really, really good. And so, I think we can see this stock

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00:05:43.520 --> 00:05:44.960

Dan Fitzpatrick: Moving.

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00:05:45.410 --> 00:05:51.090

Dan Fitzpatrick: we can move it, we can see it moving significantly higher. I mean.

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00:05:51.630 --> 00:05:54.960

Dan Fitzpatrick: Their earnings were, 8…

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00:05:54.960 --> 00:06:17.269

Dan Fitzpatrick: $1.88. That's pretty good. That's up 11% from the year prior. The projections were for $8.21. And so, that's a nice thing. Sales increased 24%, and we're, like, about a billion and a half ahead of analysts' estimates. And so, this is all really good stuff.

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00:06:17.270 --> 00:06:32.030

Dan Fitzpatrick: And the guidance, and this is what people really care about, the guidance was also higher. And so, what we've got is, like, a 33.5% year-over-year revenue growth.

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00:06:32.030 --> 00:06:41.230

Dan Fitzpatrick: As far as what the market's looking for. Guys, that's… that's massive numbers. It's massive numbers. And so,

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00:06:42.100 --> 00:06:52.689

Dan Fitzpatrick: They're also, and this is one of the most important things, is what is CAPEX? What's the capital expenditure, gonna be?

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00:06:52.870 --> 00:07:17.469

Dan Fitzpatrick: These days, investors want to see a lot of capital expenditures, particularly in the AI space. That's the big, sexy deal now. As a lot of you guys know, my sexy AI deal has to do with memory chips and storage, not all the stuff that everybody gets all hot about. But anyway, so with their Capex expenditures, they're going to be between, they say.

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00:07:17.470 --> 00:07:23.840

Dan Fitzpatrick: This is kind of a big spread, between 115 and 135 billion.

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00:07:23.840 --> 00:07:26.030

Dan Fitzpatrick: So, only a…

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00:07:26.300 --> 00:07:38.860

Dan Fitzpatrick: maybe $20 billion, give or take, between the low and the high, and that's a lot more than what the analysts were projecting, which was just a little over $110 billion. So, basically…

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00:07:39.660 --> 00:07:58.419

Dan Fitzpatrick: Meta had just absolutely crushed it, and that's why this stock is up almost 9%, and well above the implied move. So, you'll have to see how this trades tomorrow, but hopefully this has kind of given you a little bit of insight. Now Tesla.

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00:07:59.260 --> 00:08:05.929

Dan Fitzpatrick: They reported earnings. Their implied move wasn't as big, it was, 25 bucks, and…

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00:08:07.060 --> 00:08:14.619

Dan Fitzpatrick: So, that would take it up here on the upside, and here on the downside. And what we're seeing is…

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00:08:14.620 --> 00:08:32.710

Dan Fitzpatrick: kind of a whole lot of… a whole lot of nothing. And so, I don't really feel like there's an edge one way or another in this. It's just important for you to see how the options market, is implying, this. And then finally, Mr. Softee, Microsoft, in the regular hours.

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00:08:34.500 --> 00:08:42.719

Dan Fitzpatrick: was actually up a bit, and up above the 50-day moving average. Now, this thing has been a mess for a while, since this double top.

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00:08:42.720 --> 00:09:06.149

Dan Fitzpatrick: And then when it fell down below this last, real key number of 500, it just, just really been struggling. Lower lows, lower highs, lower low, lower high, lower low. Now we're back up here, right? And then the implied move on this was to, was another $25 to $503. On the upside, I just saved $500.

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00:09:06.150 --> 00:09:22.819

Dan Fitzpatrick: And then on the downside, 453, down around there. So this is what the options market is saying the stock's gonna be trading in between now and next Friday, give or take, but ultimately closing in this range. I'm gonna leave these boxes open over the next few days.

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00:09:22.820 --> 00:09:36.849

Dan Fitzpatrick: We'll see if the options market is correct on this. But what we see is the company reports earnings, and it absolutely tanks. It's down almost 5%, but notice at one point.

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00:09:36.920 --> 00:09:41.359

Dan Fitzpatrick: This thing was clear down here, like, well below,

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00:09:42.510 --> 00:09:45.460

Dan Fitzpatrick: Well below the implied move, but

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00:09:45.460 --> 00:10:06.720

Dan Fitzpatrick: it virtually immediately reverses, and it comes back within this area. So, this is the type of thing, I mean, I can kind of use Microsoft as the best example here. This is the type of thing where, if you're a nimble trader, and you like trading after hours and stuff like that, you can look at these implied moves, and…

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00:10:07.040 --> 00:10:09.769

Dan Fitzpatrick: In this case, like, when the stock

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00:10:09.860 --> 00:10:27.100

Dan Fitzpatrick: falls way below the implied move. Your bias is that… not the prediction, but your bias is, you know what, this stock's gonna kind of probably do a little rubber band snap and come back the other way. And so then what you'll do is,

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00:10:29.710 --> 00:10:33.480

Dan Fitzpatrick: Like, you wait. This is a 5-minute chart. Mmm…

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00:10:33.630 --> 00:10:49.029

Dan Fitzpatrick: I might as well go ahead and use a one-minute chart, yeah. So, this is what you do. Like, you see this stock going… and this is where the implied move was, clear up to 485. So, you see the stock coming down 445, well below

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00:10:49.050 --> 00:10:54.490

Dan Fitzpatrick: Where the implied move was saying it was, and then you literally just, like, wait.

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00:10:54.770 --> 00:10:58.990

Dan Fitzpatrick: For the first… This is a pro tip here.

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00:10:59.240 --> 00:11:13.859

Dan Fitzpatrick: You wait for, like, the first green open bar, like this, and then you say, alright, if it… just looking at this, if it closes… if it runs above 450, that gives me the sense that we really, truly have

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00:11:13.860 --> 00:11:25.479

Dan Fitzpatrick: a 3-candle reversal pattern here. I'm gonna set my stop just a little bit below this last low here of 442.56, and I mean.

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00:11:25.630 --> 00:11:42.659

Dan Fitzpatrick: set it at $442.55. The whole idea is that this, this stock is done going down, and now it's working on coming back up to, the, to the implied move box. And so then you're buying the stock here.

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00:11:45.260 --> 00:11:49.730

Dan Fitzpatrick: And the stock is giving you a nice, post-market.

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00:11:49.990 --> 00:11:50.860

Dan Fitzpatrick: Trade.

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00:11:50.920 --> 00:12:07.780

Dan Fitzpatrick: And so, now, this is where the box is right now. So, this is my bet. Tomorrow, you're probably gonna see the stock trade back within this range, and just stay here, okay? So, anyway, that's all I've got for you.

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00:12:07.790 --> 00:12:12.520

Dan Fitzpatrick: In this free video. Members, if you are…

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00:12:13.110 --> 00:12:27.480

Dan Fitzpatrick: If you are a veteran of the 59-Minute Trader, I'll say if you are a graduate, so to speak, of the 59-Minute Trader, you can trade with me live on Friday morning. I'll be opening up the doors about 6 o'clock.

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00:12:27.480 --> 00:12:44.429

Dan Fitzpatrick: Pacific, maybe even a little before then, because I want to go over some things with you, and I want to do it pre-market as opposed to while there's money-making opportunities. But if you've taken the 59-minute trader, then you can get in on that, and

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00:12:44.430 --> 00:12:45.910

Dan Fitzpatrick: I plan on…

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00:12:45.930 --> 00:12:51.039

Dan Fitzpatrick: frickin' making a lot of money, to tell you the truth. So, if this interests you.

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00:12:51.040 --> 00:13:15.650

Dan Fitzpatrick: I don't have a link for you or anything like that. I don't… it's kind of not in my area, but you can email Karen at stockmarketmentor.com, and she can give you more information on that. We've got quite a few people coming, so I think it's gonna be a lot of fun. Anyway, oh, and that gives us a chance to, trade some of these storage stocks that are reporting earnings, so it's gonna be a blast. I hope to see you there.

00:13:15.650 --> 00:13:19.720

Dan Fitzpatrick: And if I don't, that's okay, because I'll see you somewhere.