

Chart of the Day
Here's my take on the Fab Four

February 2, 2026

Dan Fitzpatrick delivered a high-conviction update on the data storage and memory sector, which he identifies as the "hidden backbone of AI." Despite a volatile "gap and crap" session last Friday that saw many stocks in the sector reverse intraday, the rebound today resulted in **SanDisk (\$SNDK)** closing at an all-time high. Dan emphasized that these stocks are undergoing a fundamental "re-rating"—shifting from cyclical, economy-dependent assets to essential, evergreen infrastructure. He remains ultra-bullish on the "Fab Four" (SanDisk, Micron, Seagate, and Western Digital), asserting that as long as the AI stack requires compute and power, the demand for data storage will remain relentless.

Next Steps:

1. **Audit Your Position Size:** Dan suggests that if you are currently long this sector, "you're probably not long enough." Evaluate increasing exposure on technical pullbacks.
2. **Tighten Protective Stops:**
 - Micron (\$MU): Use the 8-day EMA as a strict reference point; Dan suggests a stop around \$421.
 - SanDisk (\$SNDK): Monitor for continuation; use the 8-day EMA to trail your exit.
3. **Utilize Leveraged ETFs for Active Trading:** Consider the SanDisk Double Your Fund ETF (\$SNDL) or the Western Digital leveraged equivalent (\$WDCX) for short-term swing trades if you have a high risk tolerance.
4. **Ignore the "Overdone" Narrative:** Disregard claims that the move is parabolic or "old hat." Dan compares the current storage cycle to the early days of the NVIDIA ramp—don't cut your winners too early.
5. **Trust the Chart Over Personal Bias:** Dan maintains a 99.9% conviction in the sector's fundamentals but admits a 0.1% chance of being wrong. If the charts break key moving averages, let the price action—not the story—dictate your exit.
6. **Watch for Intra-Sector Rotations:** If SanDisk continues to lead, look for "catch-up" trades in Seagate and Western Digital as they approach their respective all-time high resistance levels.

Transcript:

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00:00:01.910 --> 00:00:18.069

Dan Fitzpatrick: Okay, hey guys, Dan Fitzpatrick here, StockMarketMentor.com, and before I get into the, data storage and memory stocks, I just want to give a shout-out, to some of the folks in our trading room who have been blowing out some monster

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00:00:18.940 --> 00:00:32.629

Dan Fitzpatrick: stocks, some monster trade ideas, and let me just feature a couple of them. I'm not gonna tell you these... their names, because I know I'll miss somebody, and that's not good. So, anyway, like, here's this one, ARKBest.

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00:00:33.470 --> 00:00:36.040

Dan Fitzpatrick: Massive earnings, strong

4

00:00:36.120 --> 00:00:55.949

Dan Fitzpatrick: green skyscrapers, this thing was an awesome trade today. I think it's probably likely to go at least another 10% higher, like, from here. Xli, nice continuation move there. ARCB, ARK best, coming out of a volatility squeeze, looking...

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00:00:55.950 --> 00:01:05.819

Dan Fitzpatrick: Pretty good to me. GEV. Okay, nice squeeze here, coming out the top. Like, guys, just the list goes on and on. Schd.

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00:01:06.050 --> 00:01:23.139

Dan Fitzpatrick: Dividend equity. Okay, great. I'm not really much into dividends these days. I like capital gains, but you know what? I'll take both of them. And then Envo. Nice move out of a squeeze here as well. Earnings were obviously pretty good, because the stock's up a lot. So...

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00:01:23.470 --> 00:01:24.830

Dan Fitzpatrick: That takes us...

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00:01:24.950 --> 00:01:42.799

Dan Fitzpatrick: to what I had intended to talk about here, SanDisk. You know, I think on Friday, this stuff, all these things really kind of peaked. SanDisk printed a great quarter and gave awesome guidance. The stock gapped up, I want to say, like, 20%.

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00:01:42.800 --> 00:01:54.789

Dan Fitzpatrick: Or something, yeah, it gapped up 20%, went a little bit higher for, like, a minute, literally, or two, and then it started falling all day long, and at the same time.

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00:01:54.990 --> 00:01:56.610

Dan Fitzpatrick: WDC.

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00:01:57.100 --> 00:02:05.569

Dan Fitzpatrick: reported pretty good earnings here, fell as well. Styx is what I call Seagate, 3-candle reversal.

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00:02:05.770 --> 00:02:10.380

Dan Fitzpatrick: not a good thing at all. Western Digital,

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00:02:10.389 --> 00:02:25.340

Dan Fitzpatrick: not good. So, basically, the whole sector was really, really down. Micron hit Cantor's \$4.50 price target, which they had given right, right back here, long time ago. So...

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00:02:25.340 --> 00:02:34.660

Dan Fitzpatrick: Now, though, look at this. Boom. This one day on big, massive volume has almost been completely reversed.

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00:02:35.140 --> 00:02:36.160

Dan Fitzpatrick: Today.

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00:02:36.400 --> 00:02:37.200

Dan Fitzpatrick: like...

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00:02:39.170 --> 00:02:55.430

Dan Fitzpatrick: For all intents and purposes, it's done. I mean, this is the second highest close, actually, excuse me, this is the highest close, for this stock. So, this actually closed at an all-time high. Seagate.

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00:02:55.430 --> 00:03:13.769

Dan Fitzpatrick: not quite there yet. Some of these, like, I've had these stocks on for a while, and I just... anything that says stop, that was put on here today, and that's my suggestion for these, for these trades. Similarly here, 421 stop, right along the 8-day, EMA. So again, we've got SanDisk.

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00:03:14.080 --> 00:03:32.549

Dan Fitzpatrick: new high. Closed in a new high today, which, when you think about it, after this kind of gap in crap, should really get your attention. I mean, last Friday, it was basically time for Elvis to leave the building, it seemed like, though you look at this on the weekly chart.

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00:03:33.700 --> 00:03:48.139

Dan Fitzpatrick: you know, I don't know where this stops. I've said for a while, like, my price target is \$1,000, and that was my 2026 price target. In other words, sometime this year.

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00:03:48.670 --> 00:04:08.029

Dan Fitzpatrick: I personally don't think it's gonna take that long. I mean, I think we could see it sometime this quarter, and we've got two-thirds to go on that. So, all of these things are working really, really well, and my suspicion is that if you're long, you're probably not long enough.

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00:04:08.030 --> 00:04:15.919

Dan Fitzpatrick: And the one thing that I would suggest is pick your time frame. These are great swing trading stocks. You can look at,

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00:04:17.190 --> 00:04:26.379

Dan Fitzpatrick: Sandisk, this is the, the Double Your Fund ETF. I've got, I've got some of this, and it's actually even up

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00:04:28.440 --> 00:04:46.230

Dan Fitzpatrick: after hours. So, that's kind of cool. This is for active traders. If you're a real active trader, you can see it's only been trading for, what, a week or so? But if you look at this on, on a multi-time frame analysis here, I've got 5, 10 will go...

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00:04:47.040 --> 00:04:49.399

Dan Fitzpatrick: 30, and an hour.

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00:04:49.400 --> 00:05:11.879

Dan Fitzpatrick: You can see what's happening here. This thing is just really, really powering ahead. Western Digital, XX, this is one that, I actually don't own this, I just own Western Digital. Depending on how this thing's trading tomorrow, though, I'll probably be owning some of this as well. So, the bottom line... bottom line is this.

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00:05:12.920 --> 00:05:21.330

Dan Fitzpatrick: A lot of people think that these are overdone. Oh, that's this old hat, like, you've talked about those, this and that, all that. Look.

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00:05:22.170 --> 00:05:38.649

Dan Fitzpatrick: There were a lot of people talking about NVIDIA, like, 15 years ago, and then that started ramping, and then it became old hat. Like, who cares about video, gaming, this and that, and the other thing? Stock's already run so far, stay away from it.

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00:05:39.230 --> 00:05:49.749

Dan Fitzpatrick: all this time later, NVIDIA's made the buy and holders multi-millionaires. So, do not... Cut these trades off.

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00:05:50.130 --> 00:05:56.320

Dan Fitzpatrick: That's what I'll say, like, on Western Digital. Okay, this is one pattern.

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00:05:56.980 --> 00:05:58.470

Dan Fitzpatrick: This is another.

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00:05:59.310 --> 00:06:12.480

Dan Fitzpatrick: This has many, many, many opportunities to roll over. It is not doing that. Virtually all of these boxes are open green boxes. In other words.

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00:06:12.650 --> 00:06:16.330

Dan Fitzpatrick: Higher closes. Higher than the open.

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00:06:16.450 --> 00:06:27.519

Dan Fitzpatrick: Even the green, the green, the green, a couple here, like this one and this one, where the week actually closed lower than the high.

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00:06:27.980 --> 00:06:32.970

Dan Fitzpatrick: It was still a higher, a higher close, excuse me, lower than the open.

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00:06:33.060 --> 00:06:49.839

Dan Fitzpatrick: It was still a higher, close on the weekly basis, so you've got all of these boxes that are telling you, this is a stock that's bought. This one's so tight it doesn't even really count. 1, 2, 3. So you got 3 red boxes that are

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00:06:49.980 --> 00:06:51.929

Dan Fitzpatrick: notable. The rest?

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00:06:52.280 --> 00:06:54.260

Dan Fitzpatrick: are all green. I mean...

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00:06:55.080 --> 00:07:06.480

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Dan Fitzpatrick: What are you waiting for? Same thing here with SanDisk. Same thing here with Seagate. This has been a little bit choppier, right? But still, give me a break. Weekly chart. Here, Micron.

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00:07:07.010 --> 00:07:18.919

Dan Fitzpatrick: Little whoopty-doo here, and now we're off to the races again. So, guys, and I've got a lot of members, I'm getting emails, and I see it in my live sessions, thanking me.

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00:07:18.920 --> 00:07:32.220

Dan Fitzpatrick: For my continued conviction in these, because we continue to be right on these stocks. We're making a lot of money here, and the most important thing, at least for this trade, is to kind of understand

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00:07:32.220 --> 00:07:36.399

Dan Fitzpatrick: the technology, understand the business cycle, understand

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00:07:36.400 --> 00:07:53.820

Dan Fitzpatrick: the AI stack, you know, how this fits into the compute and power, and then finally, memory and data storage stack. These are really, really important. It's what I call the hidden backbone of AI. These things are going a lot higher.

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00:07:53.910 --> 00:07:58.729

Dan Fitzpatrick: I ca... I mean, I... I guarantee you that. This, you...

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00:08:00.270 --> 00:08:05.369

Dan Fitzpatrick: You can't be too bullish on this sector.

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00:08:05.500 --> 00:08:06.900

Dan Fitzpatrick: 4 stocks.

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00:08:07.300 --> 00:08:20.610

Dan Fitzpatrick: I call them the Four Horsemen, but then that kind of connotes, the apocalypse, so maybe we won't want to go with the Fab Four instead. But these stocks work, guys. They really work, and then...

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00:08:22.280 --> 00:08:33.610

Dan Fitzpatrick: I'll just talk to you. They really work, they really work well. What you want to decide is, are you trading these, or are you investing... investing in these? In other words, are you holding these

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00:08:34.110 --> 00:08:53.630

Dan Fitzpatrick: For a big shift, because one thing that, not too many people are talking about is that these stocks, they're being re-rated. They're being re-rated, they're being re-evaluated from the cyclical theme that they've always been, like, the economy's good,

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00:08:53.630 --> 00:09:12.180

Dan Fitzpatrick: demand for memory's up. Like, for... I mean, Apple's seeing an issue now with the bottleneck in their memory chips. So, hey, the economy's good, right? When the economy's bad, nobody's buying phones, memory's really cheap. Okay, that's not the case anymore. Now.

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00:09:13.370 --> 00:09:20.210

Dan Fitzpatrick: They're just buying memory all the time. Data storage all the time. Good, bad, left, right.

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00:09:21.260 --> 00:09:23.359

Dan Fitzpatrick: Data. Storage.

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00:09:23.480 --> 00:09:35.010

Dan Fitzpatrick: now. Tomorrow. Always. And so, yeah, I think these are going a lot higher, and I'm really... I'm positive of that, with one caveat. I have, like, a 99...

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00:09:35.010 --> 00:09:43.549

Dan Fitzpatrick: 0.9% chance of being right on this, okay? And the .1%

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00:09:43.570 --> 00:09:46.270

Dan Fitzpatrick: chance that I'm gonna be wrong.

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00:09:48.000 --> 00:09:50.249

Dan Fitzpatrick: I've got an answer for that, too.

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00:09:51.350 --> 00:09:52.790

Dan Fitzpatrick: Follow the chart.

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00:09:53.000 --> 00:10:16.920

Dan Fitzpatrick: Let the chart tell you when that .1% of being right is actually wrong. My suspicion is it's gonna come from a lot higher level, okay? So, again, I'm pounding the table, but I'm also saying, look at the chart, focus on the chart, and trade the stock technically with the knowledge that fundamentals are really, really sound, in this sector, okay?

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00:10:16.920 --> 00:10:23.350

Dan Fitzpatrick: So, that's all I got for you guys, alright? I will see you, next time.