

Chart of the Day
Is Williams-Sonoma Furnishing a breakout? \$WSM

February 10, 2026

Scott focuses on Williams-Sonoma (\$WSM) as a high-conviction relative strength play within the outperforming homebuilders sector. While the broader market faced a "sloppy" close near session lows, \$WSM displayed significant resilience, trading above all key moving averages and nearing its 52-week high of \$221.81. Scott identifies a critical breakout trigger at \$221.70, noting that the stock is benefiting from a sectoral rotation into housing leaders like Toll Brothers and Pulte. He views the setup as a prime momentum opportunity, provided the stock can clear and maintain its current resistance level.

Next Steps:

1. Set a Primary Breakout Alert: Place an alert at \$221.70; Scott looks for a daily close above this level to confirm a high-probability momentum entry toward new all-time highs.
2. Establish Risk Management: * Tactical Traders: Use a tight stop just below the \$221.70 trigger to exit if the breakout becomes a "fake-out."
 - Swing Traders: Adopt a wider stop near the 8-day EMA (currently trending around \$216.50) with a smaller initial position size to allow for natural volatility.
3. Monitor Sector Sympathy: Watch the SPDR Homebuilders ETF (\$XHB) for continued strength; if the ETF reclaims its recent high of \$116.33, it provides additional macro tailwinds for the \$WSM trade.
4. Audit Earnings Timing: Be mindful that Williams-Sonoma is expected to report Q4 earnings in mid-March; plan to manage or exit the momentum swing before the report to avoid high-volatility event risk.

Transcript:

0:03: Hi there, and good evening.

0:05: It's Scott at Scott Trades on X with Stock Market Mor.com and your chart of the day.

0:11: Want to take a look at Williams-Sonoma.

0:12: This is Ticker WSM.

0:15: Now, Williams-Sonoma is actually in the homebuilders ETF and the homebuilders ETF had a really nice move today.

0:22: And there's a lot of chatter at stockmarketmentor.com about home building.

0:27: Stocks today like Toll Brothers, Polte, and some others.

0:31: And while I was researching relative strength in a stock market that actually closed near the lows of the day today, I came across Williams-Sonoma, and I like this setup.

0:42: We see a chart that's above all its key moving averages, just off the highs, and has clear resistance right around 221.

0:50: 70.

0:51: And so I want to see a move through and a close above 22,170 here on Williams-Sonoma for a potential actionable trade.

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1:00: Now you can risk manage that trade via that level, you want to see it get above and stay above, or you can give it a bit of a wider stop and a smaller position down near that 8-day exponential period moving average or the 21 day.

1:14: And so that's the setup that I'm watching to play out on Williams-Sonoma.

1:18: And it's just one of many that I'll be sharing with members at Stock Market Mentor tonight.

1:23: I would love for you to be a member of Stock Market Mentor, see what we're up to.

1:27: Click that link, take a trial, and hopefully, I'll see you there.

1:31: My name is Scott McGregor.

1:32: Thanks so much for watching.

1:33: I'll catch you next time.