

Chart of the Day
Ralph Lauren's chart looks good in all colors. \$RL

February 18, 2026

Scott evaluated the recent price action of Ralph Lauren (\$RL), emphasizing the stock's resilience following its latest earnings report. Despite an initial gap down, Scott pointed out that the stock immediately attracted significant buying interest—marked by its highest volume in months—which fueled a "straight shot" recovery back toward its previous highs. With the stock currently up in after-hours trading, Scott identified a critical momentum threshold at the 381 level and noted that the stock historically uses its 21-day Exponential Moving Average (EMA) as a reliable support level for entries during ongoing trends.

Next Steps:

1. Monitor the 381 Level: Watch for a decisive move and a daily close above 381. To confirm a high-conviction momentum trade, ensure this breakout occurs on strong trading volume.
2. Analyze Post-Earnings Volume: Take note of the "buy volume" signal Scott identified. When a stock gaps down on earnings but finishes with a strong green candle on high volume, it indicates institutional accumulation rather than a sell-off.
3. Buy the 21-day EMA Pullback: If the stock fails to break out immediately and begins to drift, use the 21-day EMA as your primary entry zone. Scott highlights this as a "decent spot" to initiate or add to a position based on the stock's historical trend behavior.
4. Zoom Out for Trend Context: Before entering, zoom out on the chart to verify the long-term trend. Scott uses this perspective to confirm that the stock "tends to get going" after successfully testing its moving averages.
5. Evaluate After-Hours Momentum: Since the stock showed strength after hours, prepare your trading plan for the next market open to capture the move if it maintains that upward trajectory.

Transcript:

[0:01] Hey everyone, good evening. It's Scott

[0:03] at Scott Trades on x with

[0:05] stockmarketmentor.com

[0:08] and your chart of the day. Want to take

[0:09] a look at the Ralph Lauren Corporation,

[0:11] ticker RL. I'm actually wearing a Ralph

[0:14] Lauren polo hoodie right now. It's one

[0:17] of my favorite sweaters as it's freezing

[0:18] cold in Alberta, Canada. But this isn't

[0:21] about weather or fashion. It's about

[0:23] making you money. And I certainly think

[0:25] the Ralph Lauren chart is set up for a

[0:28] move. And the thing that gives me that

[0:30] signal is this candle here. You can see

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[0:32] after its earnings report, the stock
[0:34] gapped down, but it didn't sell off on
[0:36] the gap down. It actually found buyers
[0:38] and had some of the highest buy volume
[0:41] in months. Ever since then, it's been on
[0:44] a straight shot right back to the highs.
[0:47] Now, it is up after hours, but I would
[0:48] certainly look for a momentum move on RL
[0:52] right above 381. Look for a move through
[0:55] and a close above 381 coming on volume.
[0:57] Now, when I zoom out here, we can see
[0:59] that when the stock gets going, it tends
[1:01] to pull back to the 21-day EMA, and that
[1:04] tends to be a decent spot to get a
[1:06] position. And so, if Ralph Lauren is
[1:08] unable to get going here, watch for that
[1:10] pullback to the 21day, it could be your
[1:13] entry into a nice looking chart. So,
[1:15] that's just one of many things we're
[1:17] watching tonight over at
[1:18] stockmarketmentor.com.
[1:20] I hope that was helpful. I'll see you
[1:22] next time.