

**Chart of the Day**  
Here's your trade on Enphase (\$ENPH)

February 23, 2026

Dan Fitzpatrick discussed Enphase Energy's stock performance and analyzed whether to buy, sell, or stand aside. He introduced a "two-box method" to help traders, especially those less experienced with charts, assess potential stock movements. Dan noted low volume and uncertainty in the stock's recent movement, suggesting it could go either way. He emphasized the importance of understanding risk and reward before trading. Dan also announced an upcoming live trading session on Thursday, following NVIDIA's earnings report on Wednesday night, which he believed would present opportunities for traders.

**Next Steps:**

1. Dan: Remind participants to check the homepage and click the link for information about the live trading session on Thursday.

**Transcript:**

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00:00:01.850 --> 00:00:14.019

Dan Fitzpatrick: Hey everybody, Dan Fitzpatrick here, StockMarketMentor.com, and today, just kind of a quick one here, I want to look at Enphase, a solar company. Stock is...

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00:00:14.160 --> 00:00:25.209

Dan Fitzpatrick: doing a hell of a lot better than it used to be doing, because it's been really in the dual drums for, for quite a while. But, it's working pretty well now. Earnings still...

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00:00:25.680 --> 00:00:43.659

Dan Fitzpatrick: well, I guess they're okay, but not that great. And, the stock, though, is busting out of a base here, so the stock ran up here on earnings, so earnings are okay. Didn't hold this line here, which is not a bad thing, and then it came back down.

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00:00:43.660 --> 00:01:08.650

Dan Fitzpatrick: to test this, 200-day moving average. And if a stock's below the 200-day moving average, for whatever reason, it's just dead to me. And so, I have not been following this stock at all. It just never popped up on my radar screen, but now it has. And so, as I look at this, my question is, okay, do I buy, or do I stand aside?

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00:01:08.650 --> 00:01:11.240

Dan Fitzpatrick: Do I sell? I definitely wouldn't sell.

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00:01:11.240 --> 00:01:24.709

Dan Fitzpatrick: But the way I'm looking at this is, okay, this has been a long, long decline here, a lot of distribution, a lot of mark down here, and then over the last several months, this stock has been trading sideways. Now.

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00:01:24.710 --> 00:01:33.820

Dan Fitzpatrick: It's been in a pretty volatile range, so this thing's been down 40% from up here to down there, so it's kind of hard to say, oh, it's a base.

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00:01:33.970 --> 00:01:37.129

Dan Fitzpatrick: But it kinda is a base. I mean, that's...

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00:01:37.130 --> 00:01:47.950

Dan Fitzpatrick: what happens with these stocks. It's just been kind of a real ugly base. But I want to show you something here. So, what are we gonna do? What do we do with this stock? Well.

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00:01:47.950 --> 00:01:57.910

Dan Fitzpatrick: You can do what I call, you can use the two-box method, which is something that I just made up, and this is why. Because...

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00:01:57.910 --> 00:02:10.400

Dan Fitzpatrick: It's got two boxes. And what I do is, in order to kind of get a good sense of, do I think the stock's gonna go up or down, I can just kind of look at... I mean, I don't need this anymore to be...

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00:02:10.400 --> 00:02:17.860

Dan Fitzpatrick: perfectly candid with you. Like, I know what I would want to do on this, but for a lot of traders who aren't really...

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00:02:17.860 --> 00:02:41.449

Dan Fitzpatrick: who haven't been looking at charts for 30 years. For a lot of traders, they can get kind of confused and start letting their emotions, their hopes, their fears, whatever, they start letting that kind of impact what their view of the chart is. And so, this... I just developed this, it's so... it's totally easy. I wouldn't even say it's developed, I just kind of

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00:02:41.620 --> 00:02:43.000

Dan Fitzpatrick: thought of this

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00:02:43.000 --> 00:03:03.369

Dan Fitzpatrick: This way for people that are maybe not quite so experienced at charts, or they just find that this could help. I developed this thing where all you do is you look at where the price is right now. I guess I could probably put this a little bit lower. You draw a line and say where the price is right now.

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00:03:03.370 --> 00:03:22.970

Dan Fitzpatrick: I got a box up above, I got a box down below, and I'm thinking, okay, which way would the stock likely go from where it is right here? Would it go into the green box, which would be a good thing, or would it go into the red box down below, which would not be a good thing?

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00:03:22.970 --> 00:03:28.479

Dan Fitzpatrick: it's gonna oscillate back and forth, no matter what it's gonna do, but as I look at this.

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00:03:29.860 --> 00:03:31.519

Dan Fitzpatrick: This is what I'm seeing.

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00:03:31.540 --> 00:03:54.499

Dan Fitzpatrick: I'm seeing volume that's much lower than average. Much lower than average volume, so that's really not a good thing when you see the stock starting to pick up here. What you want to see in a case like this is you really want to see a pickup in volume. Like, you see how this has been drifting sideways here on low volume, but then once it broke out and it started to move up.

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00:03:54.500 --> 00:04:05.750

Dan Fitzpatrick: you can see that the green skyscrapers started to get a little bit taller here. So, we're not seeing that yet, and so I don't have a lot of faith in this move.

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00:04:05.940 --> 00:04:23.069

Dan Fitzpatrick: could go up, but by the same token, it could also go down. So I look at this as really kind of a wash trade. It could go either way. This is what I would say, though, which is what I'm gonna say. If you're buying the stock right here, where are you gonna put your stop?

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00:04:23.120 --> 00:04:41.609

Dan Fitzpatrick: you're gonna... you're gonna put it here, like, down right at these lows here. I've already got a line drawn, but if you do, then maybe you kinda need to look here at the 200-day moving average, because the stock's holding there. So, in that case, you need to put your stop

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00:04:41.610 --> 00:04:48.500

Dan Fitzpatrick: below the 200-day moving average, like, somewhere around here, right? Well, the problem with that is.

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00:04:49.460 --> 00:05:00.849

Dan Fitzpatrick: the stock would have to fall back over 12% before you could even... before you could even say, you know what, I'm wrong about this trade, it's not gonna work out.

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00:05:01.090 --> 00:05:11.180

Dan Fitzpatrick: And so, with that, if that's your deal, like, I gotta have a 12% stop, then the stock needs to go up 12%, just to give you...

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00:05:11.280 --> 00:05:24.890

Dan Fitzpatrick: a 1R, to make one buck for risking one buck. Because of that, I look at this trade, and I kind of say it's a nothing done. I just look at it and say, no, I can't really trade this stock.

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00:05:25.090 --> 00:05:25.920

Dan Fitzpatrick: Now.

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00:05:26.260 --> 00:05:41.370

Dan Fitzpatrick: This could totally change tomorrow. That's why I'm doing it tonight. You could think about this two-box method and say, like, okay, well, if the stock starts running up into this box, that's a good thing. I'll go ahead and take this and maybe set a tighter stop.

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00:05:41.370 --> 00:05:46.499

Dan Fitzpatrick: So, the point of this video is to just help you kind of craft

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00:05:46.520 --> 00:06:01.210

Dan Fitzpatrick: a trade. Give your... give yourself a good idea of what the risk is and what the reward is, and then you can make better trading decisions, and I think you'll wind up... two things. You'll wind up making fewer trades.

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00:06:01.330 --> 00:06:20.260

Dan Fitzpatrick: And you'll certainly wind up taking fewer large losses. Like, you're gonna take small losses if you're applying this box method correctly, because you can really see the trade before you even buy the stock. So, anyway, that's all I got for you. I hope you guys are having a great

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00:06:20.260 --> 00:06:23.990

Dan Fitzpatrick: Evening, and I will see you tomorrow.

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00:06:25.140 --> 00:06:49.110

Dan Fitzpatrick: By the way, before I forget, check this out, it's on the homepage. I'm doing a live trading session on Thursday. This is after NVIDIA reports earnings on Wednesday night, and so if you are a 59-minute trader, or I just call you a 59er, you've taken my courses, then this could be a really good training session for you. You're probably gonna make some money.

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00:06:49.110 --> 00:07:08.580

Dan Fitzpatrick: Because there's several other stocks that are gonna be moving, in response to what NVIDIA reports, like Taiwan Semi, Broadcom, probably AMD, just a lot of different stuff. So, I think it's gonna kind of be a target-rich environment on Thursday morning, so,

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00:07:08.730 --> 00:07:17.529

Dan Fitzpatrick: I want you to be there, so just click on the link here, and then you can get all the information that you need, okay? So, that's it. I will see you guys,

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00:07:17.690 --> 00:07:18.580

Dan Fitzpatrick: Tomorrow.