

Chart of the Day

Oil prices are down 25% from their highs. Who knew?

March 9, 2026

Dan analyzed a major volatility event triggered by a "gamma squeeze" and subsequent 25% crash in **Oil**, using a **Monday, March 9, 2026**, perspective to illustrate how extreme headline risk can evaporate in a heartbeat. He warned traders to stay away from the "obvious" long energy trade, noting that once everyone knows about a geopolitical catalyst (like the Strait of Hormuz conflict), the edge is gone. Instead, Dan highlighted a massive **capitulation low** in the airline sector, where stocks like Delta and United gapped down but reversed on double their average volume, creating a high-probability "snapback" setup. He emphasized that in this "jiggy" market, the goal is to avoid the "stop-loss cascade" by being highly selective and only jumping on clear technical reversals that offer a defined risk-reward.

Next Steps:

1. Trade the Airline Rebound: Look for "Gap and Go" opportunities tomorrow in Delta (\$DAL), United (\$UAL), and American Airlines (\$AAL). These stocks printed massive capitulation candles on extreme volume; treat them as tactical 59-Minute Trades using opening range breakouts.
2. Execute the Halliburton (\$HAL) Play: While most major oil names like Exxon and Chevron look "sloppy," Dan identifies Halliburton as a high-conviction buy. Enter here with a stop just below the 50-day moving average (approx. 4.5% risk) and a primary profit target at 36.20.
3. Avoid the "Stop-Loss Cascade": Be aware of the nasty feedback loop currently in play: Market Hits Stops → Lower Prices → Hits More Stops → Forced Liquidations. To protect your capital, stay small and don't average down on losing positions.
4. Identify the "Uncertainty Premium" Drain: Watch for the "oh-shit premium" to start evaporating from energy prices. If the conflict drags on without escalation, oil is likely to drift lower as the risk premium is priced out; don't get caught holding "hot money" energy trades.
5. Monitor the 200-Day Floor on QQQ: While tech remains "locked in jail," watch the 200-day moving average on the NASDAQ. A failure to hold this level would signal a shift from a "slow drip" to a more aggressive sell-off.
6. Differentiate "Trade Now" vs. "The Right Trade": Before placing an order, ask yourself if you are trading out of "hunger" or because the setup is clear. Dan warns that "only hungry fish eat bad bait"; if the setup doesn't fit your process, sitting in cash is the most efficient trade.

Transcript:

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00:00:02.820 --> 00:00:07.060

Dan Fitzpatrick: Alright, hey everybody, Dan here, and...

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00:00:07.090 --> 00:00:20.140

Dan Fitzpatrick: I still need to do a, Chart of the day or fits in 5 thing, but because of what's happened, I figured I'd just go live with it and do it that way. It's not intended to be...

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00:00:20.140 --> 00:00:34.870

Dan Fitzpatrick: very long at all, but I think it's important just to point out a couple things, not just to members, but to anybody, on my... on my email list. Now, if you were... if you were at my live session this morning, guys.

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00:00:35.260 --> 00:00:38.130

Dan Fitzpatrick: And I mentioned it in the morning note.

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00:00:38.720 --> 00:00:47.159

Dan Fitzpatrick: Don't be trading these oil stocks. Don't be trading this big... Massive move up.

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00:00:47.240 --> 00:00:50.669

Dan Fitzpatrick: Because it's the type of thing that can end

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00:00:50.700 --> 00:01:10.499

Dan Fitzpatrick: it can reverse in a heartbeat. Or, if the conflict and the war and the uncertainty and all that just goes on and on and on, gradually the, the uncertainty, the risk premium, the uncertainty premium, the oh-shit, premium,

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00:01:10.500 --> 00:01:20.769

Dan Fitzpatrick: kind of starts evaporating and goes out of the, goes out of the price of oil. But it's just like a... let me put it this way. If you're...

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00:01:20.930 --> 00:01:32.689

Dan Fitzpatrick: If you're trading oil, or energy, you're going like, Strait of Hormuz, or Iran, or Kaboom, whatever. Oh, oil, go up!

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00:01:33.250 --> 00:01:34.829

Dan Fitzpatrick: That's not an edge.

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00:01:35.590 --> 00:01:37.210

Dan Fitzpatrick: Everybody knows

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00:01:37.340 --> 00:01:52.899

Dan Fitzpatrick: about this thing, except, I don't know, the dead. Everybody knows about what's going on, and so it's not the type of thing that you want to, to be messing around with. And so what we saw...

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00:01:53.240 --> 00:02:06.680

Dan Fitzpatrick: is... and I'll be honest with you, I was working on other things, as I mentioned to people this morning, that when the market's really, really jiggy, if things don't fit my process, I'm not gonna...

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00:02:06.790 --> 00:02:21.609

Dan Fitzpatrick: I'm not gonna sit there and say, like, okay, how can I give my money away? What's the best way for me to give my money away by doing stupid stuff? It's best to just kind of push away, from things. And so,

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00:02:22.260 --> 00:02:26.920

Dan Fitzpatrick: You could say, oh, well, you missed the reversal. Alright, well, let's go through this real quick.

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00:02:27.430 --> 00:02:31.410

Dan Fitzpatrick: I'm gonna take my ugly mug off of this thing, if I can.

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00:02:32.030 --> 00:02:39.229

Dan Fitzpatrick: It's challenging for me, a lot of times, just to figure out where where everything is, so...

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00:02:39.390 --> 00:02:43.109

Dan Fitzpatrick: Okay, I'm gone. Now... So, this is oil.

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00:02:43.240 --> 00:02:58.739

Dan Fitzpatrick: And if I recall, I shouldn't say I recall, I don't really know. I get the sense that Trump said, well, you know, we might take over the Strait of Hormuz. And I think that's probably what caused it, maybe not.

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00:02:59.080 --> 00:03:09.540

Dan Fitzpatrick: But the thing is, you know, you know Trump, and we don't deserve Trump, no question about that. He could say later, he could go like, well.

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00:03:09.720 --> 00:03:27.570

Dan Fitzpatrick: You know, I just had too many Diet Cokes, you know. But the point is, something happened, and frankly, does it even matter? If you look up at the top here, Oil USD87 down 25%.

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00:03:28.450 --> 00:03:29.959

Dan Fitzpatrick: In a heartbeat.

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00:03:30.170 --> 00:03:31.330

Dan Fitzpatrick: So...

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00:03:32.730 --> 00:03:39.809

Dan Fitzpatrick: that can be a problem for people that were long, and I actually just talked about it again this morning,

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00:03:40.110 --> 00:03:53.320

Dan Fitzpatrick: about this, like, the kind of the cascade of selling, just the cascade of selling that can go on. In fact, I'll... I didn't intend to do this, but here I go.

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00:03:55.370 --> 00:03:56.460

Dan Fitzpatrick: Okay.

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00:03:56.920 --> 00:04:10.629

Dan Fitzpatrick: Let me flip this around, I'll walk you guys through. Okay, so here's the thing, like, during these times of uncertainty, you get quant de-risking, like, there's quants that just trade, dislocations,

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00:04:11.010 --> 00:04:33.200

Dan Fitzpatrick: they trade momentum, the huge momentum traders. This is CTA, Commodities Traders Association, Trend Systems. Then the options, there's gamma effects, and I'm not gonna go into this, now I went into it in a little more detail in the morning, but the point is, when there's out-of-the-money call option... well, it doesn't even have to be out-of-the-money.

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00:04:33.200 --> 00:04:38.519

Dan Fitzpatrick: When there's a massive amount of call options or put options that are sold.

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00:04:38.600 --> 00:04:50.270

Dan Fitzpatrick: The market makers in those calls and puts have to hedge their bets, and so that can really exacerbate any move that's there.

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00:04:50.270 --> 00:05:13.609

Dan Fitzpatrick: And so in this case, it's been all to the downside. And then there's also margin calls, alright? And so then there's just, like, the bids dry up. And so what does that mean? If the bids dry up, that means there's a lot of money. A lot of dollar bills people are holding, and they're not looking to exchange it for stocks. And then, finally, you'll get this stop-loss cascade of

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00:05:14.860 --> 00:05:22.309

Dan Fitzpatrick: you'll get this stop-loss cascade, where on a particular stock, or whatever, maybe it's the S&P or whatever,

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00:05:22.310 --> 00:05:46.109

Dan Fitzpatrick: stops are hit, and then that drops prices down, which hits more stops, which causes more selling, etc, etc. So there's just a really, really nasty feedback loop in these kinds of markets, and then you get fund redemptions, where, hey, I want my money back, I don't want to play anymore, where it's just like, thanks, I'm not... it's not for me right now. And then finally, you get this big.

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00:05:46.110 --> 00:06:02.559

Dan Fitzpatrick: this big domino effect. And so, that's kind of where we've been, and we may be there for a while with respect to the stocks, but with respect to oil, this was the epitome of a gamma squeeze going up.

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00:06:02.580 --> 00:06:03.580

Dan Fitzpatrick: where...

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00:06:04.020 --> 00:06:23.799

Dan Fitzpatrick: there's... there's more and more buying, and more and more buying, and the shorts are getting crushed. And then finally, the shorts have to cover, and then at that point, suddenly the bids drop out, and here we are, down 24%. So, I'm gonna get to, isn't this nice?

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00:06:25.990 --> 00:06:29.730

Dan Fitzpatrick: I'm gonna just get to some stocks, like,

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00:06:30.520 --> 00:06:40.270

Dan Fitzpatrick: like the airlines, which have kind of been imploding, and now I just want to talk. I'm not going to go through in a lot of detail here, this is just supposed to be a short video.

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00:06:40.810 --> 00:06:45.099

Dan Fitzpatrick: But, I want to talk about things that are short-term trades, like...

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00:06:45.320 --> 00:07:00.540

Dan Fitzpatrick: tomorrow. I don't know, maybe into Wednesday or something like that, but these would make really, really good 59-minute, trades, just using volume-weighted average price, opening range, breakouts, a few other things. So, you get the airline index, which has been just...

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00:07:00.540 --> 00:07:05.869

Dan Fitzpatrick: Taken it in the shorts, down 30% from top to bottom.

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00:07:05.870 --> 00:07:09.480

Dan Fitzpatrick: in how many trading days. In...

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00:07:09.720 --> 00:07:34.680

Dan Fitzpatrick: 19... in a month, in 19 trading days down here, but look at the big, massive reversal here. This really, really exploded, higher. So we look at some of these airlines. Delta, this was one that I pointed to this morning during the session, saying, like, this is probably, gonna be a pretty good trade to the upside. It was kind of forming a hammer

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00:07:34.680 --> 00:07:35.550

Dan Fitzpatrick: pattern.

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00:07:35.550 --> 00:07:47.420

Dan Fitzpatrick: right here, and then this is just continued higher. So, unless there's some other headline risk, guys, this can be a trade that you can take. I don't know how many days, it'll last.

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00:07:47.420 --> 00:08:01.369

Dan Fitzpatrick: could be for quite a while, but if you're buying this stock, you're gonna make money. United Air, same thing. If you're buying the stock, you're gonna make money. Look at the volume, more than twice average volume on this.

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00:08:01.880 --> 00:08:14.339

Dan Fitzpatrick: American. Massive volume. Okay, this is a capitulation low here. Even just look at the SPY, you can see, definitely like a bullish engulfing pattern.

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00:08:14.850 --> 00:08:18.280

Dan Fitzpatrick: the cues. Well, these have been locked in jail for...

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00:08:18.440 --> 00:08:29.990

Dan Fitzpatrick: For a while, but we'll see what gold's doing. Nothing. So, like, this... the trade is away from, away from gold. Even the energy sector.

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00:08:32.789 --> 00:08:42.360

Dan Fitzpatrick: This one, down, like, slightly. This, down not even 2%. So, we're not getting a lot of movement.

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00:08:42.539 --> 00:08:44.260

Dan Fitzpatrick: In...

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00:08:44.490 --> 00:08:50.880

Dan Fitzpatrick: a lot of the things that you might have expected, but if we just look at this, like Halliburton.

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00:08:51.240 --> 00:08:53.969

Dan Fitzpatrick: This is looking like it's a pretty good buy.

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00:08:54.230 --> 00:09:10.229

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Dan Fitzpatrick: Right here. I said in a... put this out earlier, a pretty good buy right here. Schlumberger, not quite so good, because it's... it's really kind of sold off more, but you'll probably get, get some movement there.

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00:09:10.900 --> 00:09:14.240

Dan Fitzpatrick: I'm meant to do this one. Exxon? No.

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00:09:14.580 --> 00:09:16.060

Dan Fitzpatrick: CVX.

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00:09:16.250 --> 00:09:17.280

Dan Fitzpatrick: No.

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00:09:17.790 --> 00:09:20.290

Dan Fitzpatrick: COP? No.

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00:09:20.650 --> 00:09:23.549

Dan Fitzpatrick: So where are we really? We're at Halliburton.

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00:09:23.550 --> 00:09:46.930

Dan Fitzpatrick: Like, that's the way... that's the way I look at it. Not... again, not so much slob, but Halliburton, I'll take it. Eog just continues to go. So here's your trade, really, on Halliburton, and you can be buying it right here, and then you'd keep a stop just a little bit below the 50-day moving average, and that gives you less than 4.5%.

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00:09:46.930 --> 00:09:53.850

Dan Fitzpatrick: About, we'll say, 4.5% to the downside. So all this needs to do is run up

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00:09:55.480 --> 00:10:14.189

Dan Fitzpatrick: To about 36, 36, 20, and you've got a one-for-one, risk-reward, which I think can definitely happen. So guys, this is, in my mind, this is a really, really good, this is a really, really good risk-reward trade.

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00:10:14.390 --> 00:10:19.710

Dan Fitzpatrick: for, for the long side. But...

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00:10:19.810 --> 00:10:44.679

Dan Fitzpatrick: how long this is gonna last, I don't really know. We're subject to major, major headline risks, that's always the case. Trump can say, well, the war's over, and then 5 minutes later, or 5 hours later, somebody says, well, you know, we'll see about that. Oh, we're gonna take over the Strait of Hormuz. Oh, fantastic! Everybody, you know, sell energy, and then, oops, well.

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00:10:44.680 --> 00:10:47.530

Dan Fitzpatrick: Maybe we're not, something blew up.

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00:10:47.530 --> 00:10:48.790

Dan Fitzpatrick: So...

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00:10:49.310 --> 00:11:12.699

Dan Fitzpatrick: That's just this market. Like, that's the way we are here, and my suggestion is, as kind of always, is protect your money. You want to grow your money, so you can't just stay on the sidelines all the time and never come onto the field. But it's also important to know where your edge is, and like I said, buying oil stocks, like.

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00:11:13.500 --> 00:11:33.120

Dan Fitzpatrick: you know, yes, or selling oil stocks or buying oil stocks right when we're in the middle of a big upheaval is definitely not where you get your edge. What you want to do is wait for these snapbacks. When the market's really, really volatile, wait for things to be super, super

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00:11:33.120 --> 00:11:34.230

Dan Fitzpatrick: clear.

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00:11:34.230 --> 00:11:38.909

Dan Fitzpatrick: really, really clear. But you can ne... you will never see

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00:11:38.910 --> 00:11:56.749

Dan Fitzpatrick: things that are really, really clear when you're in the thick of it. You know that whole, that phrase, the fog of war. And I'm not talking about the battle now. I'm talking about the battle between your, you know, in your ear. Well, between your ears is your head, is your brain, which...

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00:11:57.140 --> 00:12:19.390

Dan Fitzpatrick: most people like to think works all the time, but a lot of times it doesn't. If you're really, really in the heat of battle, just always looking at your screens, always looking for this, always in positions that are gonna work, oh crap, they don't, oh, I gotta get out, oh, I made a mistake, I need to get in. Oh, look at there, over there, there's a squirrel. If you're doing that, you're really gonna miss, like, the macro.

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00:12:20.050 --> 00:12:37.500

Dan Fitzpatrick: the macro view, and you're gonna miss the big moves. And so, I'll just... I'll kind of go back one more time, and then I'll... then I'll let you go. If you... like, Halliburton, I think, is a good one tomorrow. I think Delta...

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00:12:38.050 --> 00:12:41.310

Dan Fitzpatrick: you're gonna get a nice lift there.

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00:12:41.510 --> 00:12:46.489

Dan Fitzpatrick: JetBlue, you're gonna get a nice lift there. Love.

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00:12:47.670 --> 00:12:49.790

Dan Fitzpatrick: Gonna get a nice lift there.

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00:12:51.730 --> 00:12:56.020

Dan Fitzpatrick: I can't,

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00:12:57.630 --> 00:13:06.049

Dan Fitzpatrick: There, R-Y-A-Y, I forgot the ticker. This, not so much. Forget, just forget about this. Love.

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00:13:06.660 --> 00:13:23.080

Dan Fitzpatrick: Okay, you're gonna get a nice lift there, too. So, any of these stocks that have this kind of gap down, and then a really, really strong close, these are the ones that are gonna give you really, really good trades tomorrow. Delta, massive volume here, huge volume.

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00:13:23.080 --> 00:13:35.029

Dan Fitzpatrick: This was a massive capitulation here, and so you're gonna get more upside here. Now, don't ask me, oh, well, will we go to new highs? Sure, one day, but I don't know when. So just kind of...

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00:13:35.180 --> 00:13:38.030

Dan Fitzpatrick: Keep your wits about you.

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00:13:38.170 --> 00:13:53.599

Dan Fitzpatrick: And you're gonna do fine in this market. But, if you start, like, trading just to trade, that's gonna be a big problem for you, okay? So don't do that. Make sure you make the right trade, as opposed to trade right now.

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00:13:53.640 --> 00:14:17.809

Dan Fitzpatrick: There is a difference, you can trust me, okay? By the way, if you've got any feedback on this, if you like me doing this kind of stuff, definitely let me know, okay? If you're a member, post it in the trading room so

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everybody can see it. If you're not a member, you can email me at my personal business address, dan at stockmarketmentor. Let me know if this,

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00:14:17.940 --> 00:14:32.900

Dan Fitzpatrick: you know, if this works for you. Guys, I appreciate... I'm surprised I got so many people coming on, but, I'm pleasantly surprised, we'll say. So you guys, thanks for showing up, loving you right back, and

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00:14:33.030 --> 00:14:34.730

Dan Fitzpatrick: Let's go get him tomorrow.

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00:14:35.110 --> 00:14:36.310

Dan Fitzpatrick: Go Delta.