

Chart of the Day Turn the \$LITE on!

March 19, 2026

Scott McGregor highlighted **Lumentum Holdings (\$LITE)** as a high-conviction "Chart of the Day". He noted that while the broader market is struggling, \$LITE is exhibiting significant relative strength, trading in a firm uptrend above all its key moving averages. The stock is currently consolidating just below its all-time high of **\$783.80**, which was set on March 2nd. Scott emphasized that "opening range volume" is the key indicator here; despite a red volume bar on Tuesday, a 10-minute chart revealed that the majority of that activity was aggressive institutional buying in the first 10 minutes of the session.

Next Steps:

1. Execute the "LITE" Breakout Alert at \$783.80: Set a hard price alert for \$783.80. Scott is looking for a decisive daily close above this level on high volume. A successful breakout would clear the last remaining overhead resistance and signal a new leg of the "Optical AI" supercycle.
2. Monitor the Nvidia (\$NVDA) Halo Effect: Lumentum's strength is currently being fueled by a \$2 billion strategic investment from Nvidia, confirming its indium phosphide lasers as "irreplaceable infrastructure" for next-gen AI data centers. Watch for \$NVDA to hold its own 50-day moving average as continued sector tailwinds for \$LITE.
3. Brace for S&P 500 Inclusion Volatility: \$LITE is scheduled to join the S&P 500 effective at the open on Monday, March 23. Scott warns that while this mechanically pulls passive capital into the stock, it can also lead to a "sell the news" event. Be prepared to trim positions into the Friday close (March 20) if the stock becomes excessively overextended.
4. Identify the "Line in the Sand" Stop: Use the recent low near \$670 (the 10-day low) or the 21-day EMA as your primary stop-loss. This defines your risk and ensures you aren't caught in a "false breakout" if the broader index volatility drags the sector down.
5. Audit the "OFC 2026" Momentum: Management just updated its long-term model at the OFC conference, targeting a \$2 billion quarterly revenue run rate. Any follow-through from analyst upgrades (Needham target: \$850, Stifel target: \$800) will act as a fundamental "magnet" for price action this week.

Transcript:

[0:00] Hey everyone, good evening. It's Scott

[0:02] at scottrades on x with

[0:05] stockmarketmentor.com

[0:07] and your chart of the day. Want to take

[0:09] a look at Lumentum Holdings. This is

[0:11] ticker LI

[0:14] and this is a nice looking chart here.

[0:15] We have a stock that's in an uptrend and

[0:18] above all the key moving averages. It's

[0:20] close to the all-time high in and around

[0:23] 783.

[0:24] And yesterday actually had some pretty
[0:26] big volume. Now, I know yesterday's
[0:28] volume is red, but if we dial it into a
[0:31] 10-minute chart, you can see most of
[0:33] yesterday's volume was actually buying
[0:36] in the first 10 minutes of the day. And
[0:39] so, I certainly like that. I like the
[0:41] fact that we have some heavy buying, a
[0:43] stock that's in an uptrend and above all
[0:45] the key moving averages and close to the
[0:48] all-time high. And so, I want to have an
[0:50] alert on Lmentum at 78380.
[0:56] And I want to look for a move through
[0:59] and a close above that level coming on
[1:01] volume. So, you want to see the stock
[1:03] push through that zone and do it on
[1:06] volume. If it does, then it's going to
[1:09] continue its uptrend and hit a new
[1:11] all-time high and could be a good
[1:13] candidate for a momentum trade. So,
[1:16] that's just one of many stocks we're
[1:18] watching tonight at
[1:19] stockmarketmentor.com.
[1:21] If you want to see my full watch list,
[1:24] click that link, take a trial, and
[1:26] hopefully I'll see you on the other
[1:27] side.