

Chart of the Day

Here's your trade on Super Micro Computer (SMCI)

March 20, 2026

Dan Fitzpatrick addressed the massive sell-off in **Super Micro Computer (\$SMCI)** for **Friday, March 20, 2026**, following reports of a severe regulatory breach involving the unauthorized diversion of Nvidia chips to China. The stock plummeted nearly **32%**, erasing billions in market value on a staggering **\$5 billion in dollar volume**—nearly seven times its daily average. Dan warned traders against "reflexive buying" just because a stock is down significantly, emphasizing that trading in anticipation of a bottom is a fast way to lose money. Instead, he categorized this as a "reactionary" setup where the goal is to wait for clear evidence of buyers before stepping in.

Next Steps:

1. Monitor the \$20.00 Floor: Watch \$SMCI closely on Monday morning. Dan is looking for the stock to hold the \$20.00 level. If it breaks this level and fails to reclaim it within the first 59 minutes of trading, stay on the sidelines, as the "slow drain" may not be finished.
2. Leverage the "Anti-Correlation" with Dell (\$DELL): Dan noted that what is bad for Supermicro is often good for Dell. As \$SMCI loses institutional trust and potential contracts due to these export violations, monitor \$DELL for relative strength. It could serve as a "safer" long-side trade while the \$SMCI chaos settles.
3. Wait for the "59-Minute" Confirmation: Following the strategies taught in his 59-Minute Trader course, Dan insists on seeing "evidence of buyers" (a higher low on an intraday chart) before reacting. Do not try to be a hero by catching the falling knife during the pre-market session.
4. Audit the Dollar Volume Exhaustion: The fact that \$5 billion worth of shares exchanged hands suggests a major institutional exit. While this can lead to a "dead cat bounce," Dan warns that the primary trend is now "into the darkness." Treat any initial rebound as a short-term trade, not a long-term investment, until the legal/regulatory cloud clears.
5. Prepare for Live Trading: Dan expects a tradeable opportunity in \$SMCI "one day next week." If you are a member of the 59-Minute Trader group, watch your email for a live session link to trade this high-volatility event alongside Dan.

Transcript:

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00:00:02.130 --> 00:00:21.370

Dan Fitzpatrick: Okay, Dan Fitzpatrick here, StockMarketMentor.com. Let's, take this off of the lighthouse and go into the darkness here with Supermicro. So, turns out, that, the, like, one of the execs and a lot of the people in there, were kind of,

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00:00:21.450 --> 00:00:27.200

Dan Fitzpatrick: Well, let's just say they were naughty. They were, getting stuff, getting Nvidia chips.

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00:00:27.310 --> 00:00:44.820

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Dan Fitzpatrick: over to China, which they weren't supposed to do, and I read a little bit about it, not a lot, but I've read enough about it to know that it's kind of serious crap here, at least for those people involved. But to take this stock down almost 32%,

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00:00:45.600 --> 00:00:52.280

Dan Fitzpatrick: that's kind of a big deal. And if you look at the way this stock had been trading,

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00:00:52.380 --> 00:00:56.519

Dan Fitzpatrick: pretty much all day, today. It fell...

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00:00:57.730 --> 00:01:04.040

Dan Fitzpatrick: To begin with, it opened 26, 26 down, and then just never really.

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00:01:04.040 --> 00:01:19.939

Dan Fitzpatrick: never really, corrected. But now we're looking at this after hours, and we've got a little bit of a rally higher. Not a lot. I mean, you could look and say, oh my gosh, you know, almost 3%. Yeah, but when the damn thing falls 32%,

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00:01:20.040 --> 00:01:30.399

Dan Fitzpatrick: 3% is almost like the difference between the bid and the offer. So it did bounce a little bit, though, after hours, but this is really what it looks like.

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00:01:30.480 --> 00:01:49.010

Dan Fitzpatrick: during the regular hours. Not too good here. And so, here's the thing. If you did, like, I'm sure a lot of people did, just bought the stock reflexively because it was down so much, and then, oh my gosh, you know, you definitely want to buy a stock that gaps down this much, because it's going to rebound.

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00:01:49.140 --> 00:01:53.970

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Dan Fitzpatrick: then you're probably not too happy right now, and you shouldn't be.

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00:01:54.270 --> 00:02:02.089

Dan Fitzpatrick: And the reason is because doing something, at least this is the way I look at it, and I could be wrong, hey, maybe you're gonna prove me wrong.

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00:02:02.740 --> 00:02:07.680

Dan Fitzpatrick: Over time, when you're trading in anticipation of something.

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00:02:08.060 --> 00:02:27.249

Dan Fitzpatrick: I think it's a great way to lose money. Any given time, you might nail it just right. But when you're trading in anticipation of a move, like, oh, the stock's gone down enough, I'm gonna buy it now because I think it's gonna go up, or it's... I know it's gonna go up, or something, you know, stupid.

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00:02:27.250 --> 00:02:31.189

Dan Fitzpatrick: First of all, you're not paid to think, you're definitely not paid to know.

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00:02:31.460 --> 00:02:45.119

Dan Fitzpatrick: You're paid to react. And the quicker you react, the better. But make no mistake about it, it is a reaction that you're being paid for. In other words, like, I'm looking at this stock.

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00:02:45.580 --> 00:02:48.169

Dan Fitzpatrick: And I would like to buy this stock.

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00:02:49.280 --> 00:03:04.969

Dan Fitzpatrick: But I'm not gonna buy it now. Not from the way this thing traded. What I'm gonna be doing is waiting for some type of an indication that this selling has been overdone. I mean, it seems to me like it's been overdone, but...

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00:03:04.970 --> 00:03:12.560

Dan Fitzpatrick: you know, I... I don't know. Don't know for sure. So I'll wait. But this is kind of what I'm waiting to see.

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00:03:12.580 --> 00:03:24.499

Dan Fitzpatrick: I'm waiting to see, and maybe we'll get this on Monday, we'll get one of these two things. I'm waiting to see if the stock gaps down here. I don't know if it'll go this low, but

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00:03:25.070 --> 00:03:29.090

Dan Fitzpatrick: If the stock gaps down, And then moves higher.

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00:03:29.230 --> 00:03:33.199

Dan Fitzpatrick: If so, it'll be an open green box.

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00:03:33.600 --> 00:03:36.869

Dan Fitzpatrick: It could actually gap up.

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00:03:37.200 --> 00:03:39.030

Dan Fitzpatrick: and move higher.

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00:03:39.470 --> 00:03:41.739

Dan Fitzpatrick: what I don't think is gonna happen...

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00:03:42.000 --> 00:03:54.370

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Dan Fitzpatrick: is this. I don't think it's gonna gap up and then continue selling. That's typically not what a stock like this, does, so I'll go ahead and take this off here, because...

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00:03:54.620 --> 00:03:56.520

Dan Fitzpatrick: I'm not that good of an artist.

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00:03:57.210 --> 00:04:07.249

Dan Fitzpatrick: But the point is, this thing is traded like a crapload of shares today. Like, 5... \$5 billion.

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00:04:08.140 --> 00:04:10.260

Dan Fitzpatrick: Worth of shares today.

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00:04:10.390 --> 00:04:11.350

Dan Fitzpatrick: This is...

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00:04:11.370 --> 00:04:28.950

Dan Fitzpatrick: dollar volume here. \$5 billion worth of shares has exchanged hands. That's a lot, particularly when the average dollar volume is, like, \$740 million. So, this was a big, huge flush at some point.

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00:04:28.950 --> 00:04:37.720

Dan Fitzpatrick: this is gonna give us a great opportunity to get in. Like, Supermicro is a heck of a company, and by the way, when they're in trouble.

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00:04:37.720 --> 00:04:44.380

Dan Fitzpatrick: Dell is not. So you can look at the two of these as almost being tra... you know, as almost being traded

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00:04:44.380 --> 00:05:01.230

Dan Fitzpatrick: like, diametrically opposed. What's bad for Super is good for Dell. What's good for Super is probably, let's just say, not going to be so good for Dell, because they compete in a lot of these things. So, I want to look at this, I want to see if the stock holds

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00:05:01.660 --> 00:05:02.590

Dan Fitzpatrick: 20.

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00:05:03.430 --> 00:05:24.309

Dan Fitzpatrick: I want to see if it holds 20 on Monday, and if it does, then that's something that you really, really, really want to watch. I've done this 3 or 4 times recently. People that have bought my 59-minute trader course and actually took it, instead of just letting it sit there in the, well, I'll get around to it later bin.

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00:05:24.330 --> 00:05:37.289

Dan Fitzpatrick: People that have actually been using that strategy that I teach have been making a crap load of money in the live sessions that I've been doing. I taught one just on Micron's earnings.

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00:05:38.670 --> 00:05:39.600

Dan Fitzpatrick: And...

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00:05:39.600 --> 00:06:01.639

Dan Fitzpatrick: we did really, really well here on this gap down, and then a run up. I mean, made, like, 10 or 12 bucks per share on that. I think that we'll probably be able to do the same type of thing with Supermicro. I don't know if it's gonna be Monday, it might be, but I can pretty much guarantee you it's gonna be one day next week. I just know this.

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00:06:01.780 --> 00:06:03.390

Dan Fitzpatrick: It ain't this day.

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00:06:04.110 --> 00:06:06.159

Dan Fitzpatrick: This was all selling.

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00:06:06.440 --> 00:06:22.520

Dan Fitzpatrick: Possibly, that's the end. Possibly, we drained it all out here at 2050, but we need to wait and see evidence of buyers, and then we react. And that's what it is. It's reaction.

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00:06:22.750 --> 00:06:32.949

Dan Fitzpatrick: It's not prediction, okay? This is not something that we do. Alright, I will see you guys on Monday. Hope y'all had a great week.

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00:06:33.290 --> 00:06:36.750

Dan Fitzpatrick: Hopefully you survive Friday and you live to trade on Monday.