

Chart of the Day Here's the trade I made on SMCI

March 23, 2026

Dan Fitzpatrick broke down a high-conviction "Blue-Collar Income" trade for **Monday, March 23, 2026**, focusing on the massive volatility in **Super Micro Computer (\$SMCI)**. Following reports of regulatory breaches and a subsequent 32% crash on Friday, the stock staged a rebound. Dan characterized the current environment as a "speculator's paradise" due to the inflated option premiums caused by the chaos. He introduced a specific iteration of the **Wheel Strategy** (or a covered strangle) designed to generate aggressive weekly income regardless of whether the stock moves up, down, or sideways—provided it stays within a defined "box."

Next Steps:

1. Audit the \$SMCI "Box" Levels: Monitor \$SMCI between \$20.00 and \$23.00. As long as the stock remains in this range through Friday, March 27, the options will expire worthless, allowing you to keep 100% of the premium.
2. Identify the Break-Even Floor: Dan's mathematical break-even on this specific trade is \$20.08. If the stock falls below \$20.00, your unrealized loss on the shares is offset by the \$850 premium already collected.
3. Execute the "Assignment" Protocol: If the stock closes Friday below \$20.00, be prepared to accept assignment on the puts. This "forced buy" is a feature, not a bug, of Dan's strategy; it allows you to lower your average cost and sell even more lucrative calls the following week.
4. Monitor the "Nvidia Pipeline" Headlines: Dan noted that the \$SMCI sell-off was triggered by news of Nvidia chips being diverted to China. Stay alert for any further Department of Justice or SEC filings; high headline risk is what keeps these option premiums "juicy," but a total collapse would invalidate the income thesis.
5. Join the Live Training for Details: Dan went through the "Decision Tree" for this trade in extensive detail during today's live session. If you missed it, review the recording on Stock Market Mentor to understand how to mitigate "Scenario B" if the stock drops significantly below \$20.

Transcript:

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00:00:01.810 --> 00:00:20.639

Dan Fitzpatrick: Okay, hey everybody, Dan Fitzpatrick here, StockMarketMentor.com, and it is March 23rd. Okay, I'm looking at MCI, SMCI. One of our members today said that SMCI is the Bernie Madoff of the semiconductor space, and

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00:00:20.640 --> 00:00:35.569

Dan Fitzpatrick: with all the bull... I'll say it, I think I can say bullshit here. With all the bullshit that, their execs do with respect to, you know, cheating and espionage and everything else, I think it's probably a pretty good analogy

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00:00:35.720 --> 00:00:36.770

Dan Fitzpatrick: Though...

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00:00:37.090 --> 00:00:56.800

Dan Fitzpatrick: I don't know, I think it might do a disservice to Bernie Madoff. But anyway, let's just talk about trading. So, this thing went down in a big way, Friday because of, some cheating going on with respect to getting, NVIDIA chips over to China, using a blow dryer.

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00:00:56.950 --> 00:01:09.470

Dan Fitzpatrick: I'll let you look that up. So, it was a pretty, pretty bad thing. Stock comes down a lot this morning, fell even further, and then it rebounded nicely. Now, I looked at this as...

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00:01:09.470 --> 00:01:18.489

Dan Fitzpatrick: like, I don't care about SMCI, I just look at this chart. And when I see this chart, I see just all kinds of opportunity.

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00:01:18.490 --> 00:01:21.940

Dan Fitzpatrick: Written all over this, and so...

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00:01:22.470 --> 00:01:39.219

Dan Fitzpatrick: what I did was I actually showed our members this, this morning in a live session here about an option trade, that I put on. So, just kind of memorize this in your brain. 21-ish, \$21.50, that kind of thing. It moved around.

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00:01:39.760 --> 00:01:41.770

Dan Fitzpatrick: A bit during the day.

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00:01:42.040 --> 00:01:56.649

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Dan Fitzpatrick: just today. Up and down and all around, but ultimately kind of stuck right around here, okay? So, this was the trade that I did. A thousand shares at 21, 21 bucks, okay? So, it's \$21,000. Okay, sell.

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00:01:56.650 --> 00:02:05.260

Dan Fitzpatrick: The \$20 puts, remember, bought the shares at, \$21, so I sell the \$20 puts down here.

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00:02:05.440 --> 00:02:06.290

Dan Fitzpatrick: And...

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00:02:06.300 --> 00:02:23.890

Dan Fitzpatrick: I get 55 cents for those, then I sell the \$23 calls for 30 cents. So I get a total of 85 cents for selling the puts that are below the current price and the calls that are above the current price, and they expire on Friday.

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00:02:23.890 --> 00:02:32.890

Dan Fitzpatrick: Okay, so it's a short-term trade, like a 4-day trade. Now, here's what it costs. Again, 21 grand, I get paid \$8.50 today.

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00:02:33.110 --> 00:02:43.099

Dan Fitzpatrick: My adjusted cost basis, though actually, I don't care about that, but I'm just telling you what it is. My adjusted cost basis is 2015.

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00:02:43.100 --> 00:03:00.930

Dan Fitzpatrick: So, if the stock goes above 23, I make 2 grand, because remember, I bought them at 21, I have to sell them at 23, so that's \$2,000, but I also took in \$850 in premium from the 23 call, and...

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00:03:01.700 --> 00:03:03.489

Dan Fitzpatrick: From the 23 call.

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00:03:03.800 --> 00:03:07.979

Dan Fitzpatrick: and the \$20 put, okay? So,

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00:03:08.920 --> 00:03:15.389

Dan Fitzpatrick: That gives me a total profit of \$2,850. That's a 13.6 return.

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00:03:15.690 --> 00:03:26.790

Dan Fitzpatrick: in 4 days. That's if the stock runs up above 23, and I get called out. Now, what do I think the chances are of this going up above 23?

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00:03:27.430 --> 00:03:40.830

Dan Fitzpatrick: I don't know. And actually, in that respect, too, I kind of don't care, because that's not my strategy. I'll go ahead and put this in, because I'm sure I'll be coming back to this at another time. Okay, so...

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00:03:41.390 --> 00:03:44.439

Dan Fitzpatrick: If the stock's above 23 on Friday.

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00:03:44.470 --> 00:03:50.049

Dan Fitzpatrick: This is the money that I make. \$2,850, I'm out. Now...

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00:03:50.050 --> 00:04:05.510

Dan Fitzpatrick: If the stock goes to zero, which it won't, but if it goes to zero, now I own 2,000 shares, because I've had to buy 1,000 shares at the \$20 price, remember, that I sold the puts at. So.

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00:04:05.840 --> 00:04:22.719

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Dan Fitzpatrick: I've got 2,000 shares, and the total cost is over \$40,000, so that's my maximum loss if the stock goes to zero. But my break-even on the trade is \$20.08, okay? So...

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00:04:22.870 --> 00:04:41.949

Dan Fitzpatrick: That's taking account all the premium and everything else. So, my break-even on this is \$20.08 right down there, someplace, but this is the cool thing. So, as long as the stock stays in between 20 and 23, which, just looking at this.

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00:04:43.640 --> 00:04:49.059

Dan Fitzpatrick: I'd say it's probably got a pretty good chance of doing that, like...

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00:04:51.700 --> 00:05:01.510

Dan Fitzpatrick: Right about there. As long as the stock stays in this space for the next few days, like until Friday, right? Then I get to keep that \$850.

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00:05:01.690 --> 00:05:17.820

Dan Fitzpatrick: And then guess what I get to do? I get to do the same thing over and over and over again. And so the whole logic behind this trade is, I gotta be willing to sell the shares that I bought at \$21, I gotta be willing to sell them at \$23,

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00:05:17.830 --> 00:05:26.349

Dan Fitzpatrick: On the other hand, if BernieMadoff.com falls back down to 20 bucks, then I have to be willing to buy more.

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00:05:26.540 --> 00:05:42.750

Dan Fitzpatrick: And I will do that, too. And I'm collecting \$850 for taking on this obligation. And so, the risks here are that there's high volatility, so there's higher premiums on this trade, but then also, because of the volatility.

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00:05:42.750 --> 00:05:55.179

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Dan Fitzpatrick: it increases my assignment risk, meaning it increases the likelihood that the stock is going to get put to me at 20 bucks. But here's the thing. If I am...

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00:05:55.360 --> 00:05:56.430

Dan Fitzpatrick: Happy.

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00:05:56.700 --> 00:06:13.420

Dan Fitzpatrick: to buy more stock at \$21, or \$20, then that's okay as well. So, this is really... it's what they call the wheel strategy, but I call it the blue-collar income strategy, based on a book that I'm writing, Blue Collar Options. And it all just concerns with...

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00:06:13.420 --> 00:06:23.460

Dan Fitzpatrick: Selling a put to get the stock put to you. And in this case, I already own the stock, but let's say I didn't. I sell the \$20 put, which I did.

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00:06:23.580 --> 00:06:37.079

Dan Fitzpatrick: and the stock gets put to me at \$20. Dang it! Now I own the stock at 20 bucks. Then what do I do? I turn around and I sell a call against it, which I did. That's the \$23 call.

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00:06:37.080 --> 00:06:45.919

Dan Fitzpatrick: then if the stock runs, and the stock gets called away from me, well, too bad, so sad, I get to keep the money and the profit.

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00:06:45.920 --> 00:06:59.390

Dan Fitzpatrick: and then I start all over again. This is a great income strategy, and it all really just gets down to this. You've got a decision tree on every single trade, and you need to know

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00:06:59.530 --> 00:07:05.409

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Dan Fitzpatrick: What you're... you need to account for every single possible scenario there is.

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00:07:05.630 --> 00:07:19.380

Dan Fitzpatrick: and either be okay with it, or have a way to mitigate it. But in this particular trade with SMCI, you've always got to ask this, do I still want to own this stock? And in this case.

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00:07:20.300 --> 00:07:27.560

Dan Fitzpatrick: I'm happy to make this trade all the way up until the time that it stops working. So, going forward.

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00:07:27.560 --> 00:07:34.059

Dan Fitzpatrick: If the stock does get put to me... if it gets put to me at 20 bucks on Friday, I'll say, dang, thank you.

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00:07:34.060 --> 00:07:48.589

Dan Fitzpatrick: If it... if it, on the other hand, gets called away from me at 23, I'll say thank you as well, and I may even just wind up doing the same trade again and again and again. But if this stock just stays in this box here.

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00:07:48.720 --> 00:07:54.369

Dan Fitzpatrick: I'll keep doing this and taking another \$850, every week.

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00:07:54.970 --> 00:07:57.689

Dan Fitzpatrick: I don't know, man. I think a guy could,

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00:07:57.870 --> 00:08:14.160

Dan Fitzpatrick: actually make a living doing this kind of stuff. So, anyway, that's all I got for you. If you want to know more about it, subscribe to Stock Market Mentor. I went through this in great detail in today's live training. Okay, I'll see you guys there. Have an awesome day.