

Strategy Session

March 26, 2026

Scott McGregor analyzed a "dangerous" and highly volatile session for **Thursday, March 26, 2026**, where major indices including the **SPY, QQQ, and DIA** all closed well below their **200-day moving averages**. Scott characterized the current regime as "diplomacy by tweet," noting that after-hours futures popped only after President Trump posted on Truth Social that he is extending the deadline for potential attacks on Iranian power plants to **April 6th** to allow for further negotiations. Despite this relief, the technical damage is severe; Scott recommends a large cash position, as trading under the 200-day moving average significantly increases the risk of a "flash crash" or a formal bear market.

Next Steps:

1. Audit Your "Risk-Free" Alternatives: Scott noted that with the 10-year yield spiking back to July 2025 highs, holding cash or stablecoins like USDC provides a "fat" 3%–5% yield. In this "sketchball" market, the hurdle for taking a stock trade must be extremely high; if a setup isn't "A++," stay on the sidelines.
2. Execute "Relative Strength" Alerts in Energy & Defense: Since these sectors are the only ones "working," Scott identified a few tactical setups:
 - a. DT Midstream (\$DTM): Consolidating above the 8-day and 21-day EMA. Set an alert for a move through \$139.40.
 - b. Leonardo DRS (\$DRS): Bounced off the 8-day EMA on high volume. Watch for a close above \$47.00 to signal a momentum breakout.
 - c. General Dynamics (\$GD): Look for an entry above \$356.50, using \$351.00 as a tight protective stop.
3. Monitor the Meta (\$META) "Puke": \$META suffered one of its worst sessions in history today due to renewed lawsuit headlines. Scott warns that this is an "ugly stock" to avoid; do not try to "bottom fish" here until the high-volume selling exhausts.
4. Capitalize on "Defensive Growth" in Five Below (\$FIVE): Unlike tech, \$FIVE is holding its 8-day EMA. Scott views this as a "recession-resistant" play. Look for a breakout above \$237.50 on volume.
5. Identify the "Ceasefire" Bottom Signal: Do not chase the first day of a rally attempt. Scott recommends waiting for confirmation: a solid move back *through* key moving averages (like the 21-day EMA) on above-average volume.
6. Watch the Bitcoin "Bear Flag": While Bitcoin (\$BTC) has shown relative strength by not making a new low, Scott is cautious of a potential bear flag. If \$BTC fails to hold its recent wedge, expect a visit to the low \$60,000 or high \$50,000 range.

Transcript:

[0:00] Hey everyone, good evening, it's Scott at Scott Trades On X with StockMarketMentor.com.

[0:06] In your strategy session, it's Thursday, March the 26th, 2026.

[0:12] I hope you had a great day.

[0:13] Definitely a volatile one here in markets with SPY back under and well below the 200-day moving average.

[0:21] Same deal here on the Qs and DIA also closing under the 200-day moving average.

[0:28] Now, we did have a post from President Trump on his social media network, Truth Social, saying that he is extending the time period in which the United States may or may not attack Iranian power plants.

[0:47] And that extension is going out to April the 6th.

[0:51] And the idea is that they are going back and forth in negotiations, evidently,

[0:56] and trying to work out a deal before the U.S. does a big attack on the country.

[1:03] And so that's the news right now.

[1:05] And on that news, we do see futures up slightly.

[1:09] If I bring in the S&P 500 via the futures, SPX, we see it off of the low.

[1:17] We see the NASDAQ off of the low.

[1:20] And we see oil off of the high.

[1:24] And when this news came out, we did initially get a pretty big drop on oil, but it has recovered slightly.

[1:31] Just like we had a big pop on the major indexes, on SPY and on the Qs, and then we had that rollover.

[1:38] And so we are still dealing with diplomacy by tweet right now in this market.

[1:46] And it is a very headline-driven market.

[1:48] And any time the general stock market is under the 8-day, 21-day, and 50-day moving average,

[1:54] it's already a bit of a sketchball market.

[1:57] And the fact that we're now under the 200-day moving average makes it even worse.

[2:02] And so it is more of a patience kind of market right now, waiting for clarity to come out of the Middle East, waiting for clarity on what the price of oil is going to be in the future, waiting for clarity on what inflation expectations are going to do in the future, and waiting for clarity, obviously, on what the Fed heads are going to do when it comes to interest rates.

[2:25] And so there's just a lot of balls in the air right now in the market that make this market a very dangerous one.

[2:33] And so I'm only going to show you just a handful of what I believe are decent setups.

[2:39] I wouldn't say they're A++ setups, but I would say that they're decent setups where if you feel like trading, if you can trade, maybe you could take these.

[2:48] But I would only do it in a small capacity.

[2:51] You should be definitely in a large cash position right now Most of your money on the sidelines unless you in trades where you have really good cushions or you more of a long holder

[3:03] But even if you are more of a long-term holder, again, things just get sketchy when we're under

[3:09] the 200-day moving average. And you can see that over here from last year at around this time,

[3:14] where we were under the 200-day moving average during the tariff tantrum.

[3:17] We did rebound, but ultimately things got volatile, things got hairy under the 200-day.

[3:23] As Dan always says, nothing good happens under the 200-day moving average,

[3:28] and that's kind of where we're at right now with the major indexes.

[3:31] We continue to see lower highs on IWM.

[3:35] Gold isn't really working as a hedge right now.

[3:38] Gold is hanging out near the lows.

[3:40] Silver is down near the lows.

[3:42] The gold mining complex makes a lower high.

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[3:45] semiconductors look like they want to pour out of a hose right now. In my video on Tuesday,
[3:52] I mentioned how, you know, semiconductors were still looking pretty constructive as we were just
[3:57] kind of bubbling under the 50-day moving average. But today we had a pretty high volume sell-off
[4:03] and a close near the lows. Now, we can have an upside reversal. We could have a potential rally
[4:09] attempt in the market as early as tomorrow. And so I want to be open-minded to that, but I also
[4:15] want to just be cautious because you don't have to buy the first day of a rally attempt to make
[4:21] great money in the market. You can wait for confirmation. You can wait for a solid move
[4:27] through key moving averages coming on big volume. And so that's what I would recommend right now
[4:32] in this tape. Energy is still working. XLE is in an uptrend and above all the key moving averages,
[4:37] but it is a bit extended above the eight-day exponential period moving average. We do have
[4:43] some headwinds in the market, obviously, one of which is the dollar. The dollar is back above all
[4:49] its key moving averages, and the dollar tends to act as a bit of a headwind for stocks because
[4:56] the whole reason, one of the reasons that you're buying stocks is to grow your money, to grow your
[5:02] dollars past what you could do in a high interest savings account. But when we have the 10-year and
[5:08] rates back near the highs, back near some of the highs from all the way back in July
[5:14] of 2025, then people tend to stick their money in cash.
[5:19] In my Coinbase crypto account, for example, if I just hold USDC stablecoin, I get a fat
[5:27] yield.
[5:27] I get like 3% yield paid out weekly.
[5:30] And so there really has to be a compelling setup right now, in my opinion, for anyone
[5:36] to want to take any risk in this tape right here right now.
[5:40] We also have the VIX still above all the key moving averages.
[5:43] Now, I've said this before.
[5:45] Anytime the VIX is above the 8 21 and 50 moving average it is a market that is primed for volatility Now we
have had and we seem to have a president that is noting the market volatility
[5:59] because that's, I think, why we're getting these tweets that come out after hours to say,
[6:04] oh, don't worry, you know, we're still working on things, we're still working on a deal,
[6:08] and that's fine, but I also have PTSD from when, you may remember,
[6:15] President Trump's first term when he was working on a deal with China.
[6:21] And I vividly remember, again, diplomacy by tweets, where it was a great day of negotiations
[6:30] with China, stock market would rip, and then the next day he said, deal's off, the deal
[6:37] with China's off, and we're going to hit them hard, and the market would crash.

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[6:40] And round and round we go. And that certainly feels very similar to what's happening right now in the Middle East, because we had a note from President Trump early in the day where he said, you know, we don't really know who we're negotiating with, etc., etc.

[6:54] And then after the close, once the market closed near the lows and the VIX spiked again and the 10 years spiked again, you know, then we got another word saying, oh, you know, negotiations are going on and we're going to pause any attacks until April the 6th.

[7:07] And so again, it just is a very headline-driven market right now.

[7:12] And so you want to be cautious and really focus on top setups.

[7:16] And that's what we're going to do here tonight in my video.

[7:19] So I did mention the setup on DT Midstream, which I think is pretty good.

[7:24] It's a stock that's above the 8-day, above the 21-day, has a bit of resistance around 139.40.

[7:30] But if this could get above and stay above 139.40, I think you could take this as an entry.

[7:35] I also want to bring Dino to your attention.

[7:37] This is D-I-N-O-H-F-Sinclair.

[7:41] It did hit a new high today.

[7:43] Did it on lower than average volume.

[7:46] But again, if I zoom out here, you can see the stock is near the highs.

[7:49] And it's in oil and gas, which is the sector that's working right now.

[7:53] So this one is a bit extended.

[7:55] But if we do get some negative headlines and oil spikes again,

[7:58] I think you could take this for a momentum trade with a move through 6370.

[8:05] 6370 on DINO.

[8:09] Here's Leonardo DRS.

[8:11] It's ticker DRS.

[8:13] This is in aerospace and defense.

[8:15] Really nice volume today.

[8:17] Higher than average volume and a bounce off the eight-day exponential period moving average.

[8:21] A bit of resistance on this stock right where it is after hours at around \$47.

[8:27] And so I would look for a move through and a close above \$47 on DRS coming on good volume.

[8:36] Here's General Dynamics, ticker GD.

[8:39] And GD did try and get above the 50-day moving average today.

[8:42] This is also in aerospace and defense And so I absolutely think if this stock can get above today intraday high of 356 or 356 is where I would put my alert

[8:55] That's about a dime above the high.

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[8:59] Then I think this could trigger an entry here with a stop under today's intraday low around 351.

[9:06] So watch GD for a move through 356.50.

[9:10] stop on that trade if it triggers down around 351 another oil and gas stock is valero energy this

[9:19] is ticker vlo nice move today through the eight-day exponential period moving average close near the

[9:25] highs i think it makes sense to have an alert on this at around 249.20 for a momentum move 249.20

[9:33] and again manage your size on that because it is already extended off the eight-day exponential

[9:39] period moving average but if it breaks above today's high then it's hitting as as i zoom out

[9:44] you can see it's hitting a brand new all-time high and that could give you a nice intraday

[9:49] runner here's xpo it's ticker xpo basing in and around the eight day 21 day exponential period

[9:58] moving average the dips continue to be bought longer term support down near the 50 day moving

[10:03] average. I think you could take this for a ride if it can get above and stay above 195.10. 195.10

[10:12] in and around that area. Look for a move through and a close above coming on good volume. And lastly

[10:20] here, just want to bring five below back to your attention. It's red on the day. It did pull back

[10:26] to the eight-day exponential period moving average, but it's one of the few stocks that I've found

[10:30] that are actually holding up okay versus some of the other stocks in the market right now.

[10:36] Like if we look at Meta, I've got to bring Meta to your attention.

[10:39] My goodness, what a puke today on Meta.

[10:42] One of the worst days that I've seen in Meta's history today

[10:46] based on obviously the news of them potentially getting sued again and again and again,

[10:51] having to pay out millions and millions of dollars.

[10:54] And this is an ugly stock.

[10:56] And so compare that to five below where, you know what?

[11:00] Doesn't look too bad.

[11:01] It's nearly 8-day EMA.

[11:03] Clear resistance at \$237.50.

[11:06] And so that's where my alert is here on 5.

[11:08] \$237.50.

[11:10] Look for a breakout and a move through that level coming on volume.

[11:13] This is a discount store.

[11:16] And if the economy weakens, then the thought is that discount stores will probably end up doing quite well.

[11:24] That's all I got for you today, my friend.

[11:26] I hope that video was helpful.

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[11:27] Just so you know, I am away from the Stock Market Mentor website tomorrow.

[11:31] I'm headed to Edmonton to go see the Edmonton Oilers take on the Anaheim Ducks,

[11:36] and I'm super excited.

[11:37] Have a great weekend, and I'll talk to you soon.