

Weekend Study Session

May 23, 2026

In this dynamic weekend study session, Dan Fitzpatrick provides an authoritative framework on **the absolute sovereignty of trading rules and structural execution**. Dan argues that to achieve "unconscious competency"—the stage where a trader follows precision technical metrics on pure instinct—one must transition entirely from a subjective focus on making money to a mathematical focus on **process-driven outcomes**.

Using his foundational **SMART trading framework** (Strategy/Stock, Market context, Actionable entry, Risk vs. reward, and Tracking), Dan details how a proper entry point functions as the definitive architect of your trading psychology. By coupling clean entry parameters to dynamic support wicks rather than chasing overextended vertical breakouts, you establish an emotional and monetary **profit cushion**.

This buffer frees you from the "retail churn machine" of fear and hope, allowing you to objectively trade with the house's money. The session concludes with a macro look at fixed-income constraints, the emergence of the **Space and Quantum Computing thematic rotations**, and a blueprint for executing the high-probability **Power Move** chart pattern.

Next Steps:

1. Execute the 30-Day Closed Trade Audit: Before the opening bell on Tuesday, print out the charts for every single position you closed during the month of April. Mark your exact entry with a distinct green dot. Slide the chart window back so the hard right edge represents exactly what you saw when you hit the buy button. Audit if you executed a low-risk strategy or simply chased an extension trap.
2. Halt Chasing in the Momentum Factor: With SPY and QQQ successfully defending their short-term 8-day exponential moving average (EMA) floors following a constructive ceasefire-rumor pullback, do not buy vertical spikes at the open. Wait for shallow consolidations back to the moving average matrix to structure tight risk boundaries.
3. Enforce a Non-Discretionary Stop Protocol: Whether you are paper trading or deploying large-scale capital, every trade must have an absolute, mathematical line of invalidation before execution. If the asset violates this boundary, you exit immediately without emotional negotiation.
4. Stalk the Power Move Configuration: Scan the equity universe for high-growth leaders that have expanded at least 50% out of a long base and are now consolidating sideways on microscopic, lower-than-average volume floors. Do not buy the flat base; place a dynamic price alert right at the overhead horizontal ceiling to capture the subsequent breakout.
5. Audit the "Time Value of Risk": Review any stagnant positions currently tying up your capital, such as EchoStar (\$SATS). If a setup fails to deliver an immediate technical trigger within a reasonable historical window, accept a flat or minor loss and reallocate those funds into high-velocity thematic trends.

Transcript:

1

00:00:01.660 --> 00:00:07.520

Dan Fitzpatrick: Okay, hey everybody, Dan here. Weekend study session. First,

2

00:00:07.680 --> 00:00:16.590

STOCK MARKET MENTOR

Dan Fitzpatrick: Happy Memorial Day, to everybody. Nice 3-day weekend, just remember what it's for. Thanks somebody for their service, would always be nice.

3

00:00:16.670 --> 00:00:21.050

Dan Fitzpatrick: So, we'll get into it here now.

4

00:00:21.100 --> 00:00:25.790

Dan Fitzpatrick: This is... I've mentioned this earlier, and I got a lot of...

5

00:00:25.800 --> 00:00:44.689

Dan Fitzpatrick: a lot of really, really encouraging comments about the new direction here in, we'll just talk about the weekend study session, but just in general, what's going on, for us, for you in Stock Market Mentor. And that is...

6

00:00:44.980 --> 00:00:48.699

Dan Fitzpatrick: That, we're gonna be, of course.

7

00:00:48.890 --> 00:01:06.770

Dan Fitzpatrick: we're gonna be doing a lot of stocks. I mean, the bottom line is, we gotta make... you gotta have stock picks to make money. That's kind of a given. But what I really want to do is take this to the next level, where I don't see, anybody else really doing.

8

00:01:07.870 --> 00:01:19.750

Dan Fitzpatrick: And that is giving you... giving you an entire structure. I know a lot of, trading resources, at least the ones that I've seen, been exposed to.

9

00:01:19.750 --> 00:01:29.689

Dan Fitzpatrick: a lot of trading resources. They'll give you stock picks, and they can be great stock picks, but the question is, what are you gonna do with those? And...

10

00:01:29.750 --> 00:01:40.309

Dan Fitzpatrick: no matter who you are, there's a bunch of you watching this, and each of you is individual to the next. Each person has their own...

11

00:01:40.310 --> 00:01:50.759

Dan Fitzpatrick: specific trading... maybe you've got the same strategy, but you definitely have a different style, and that style, would be...

12

00:01:50.920 --> 00:01:56.919

Dan Fitzpatrick: The style would be that I might as well just talk to you here for a second,

13

00:01:57.870 --> 00:01:58.810

Dan Fitzpatrick: Okay.

14

00:02:00.490 --> 00:02:13.540

Dan Fitzpatrick: weekend attire. Anyway, the style would be different, to you, versus anybody else, and the reason is because we've got... we all have the same, or different emotional makeups.

15

00:02:13.540 --> 00:02:26.920

Dan Fitzpatrick: We also... I mean, some people are really, really risk-averse, which is... I think it's important to be... to be focusing on risk one way or another. So, some people are really risk-averse, while others...

16

00:02:26.920 --> 00:02:34.900

Dan Fitzpatrick: are, you know, you're kind of trading... you should never be trading your net worth. Never. You shouldn't be trading your lifestyle.

17

00:02:34.900 --> 00:02:38.789

Dan Fitzpatrick: That is just a rule, because I will tell you this.

18

00:02:39.030 --> 00:02:55.929

Dan Fitzpatrick: If you ever find yourself trading your lifestyle sooner or later, you're gonna have to adjust your lifestyle, and it ain't gonna be upward. And the reason is because if you have a big, vested interest, financial interest in something, then you have a big vested emotional

19

00:02:55.930 --> 00:03:02.789

Dan Fitzpatrick: interest in that, too. Which is why just Plain paper trading.

20

00:03:02.880 --> 00:03:18.949

Dan Fitzpatrick: without focusing on rules, without any kind of discipline. If all you're doing is paper trading, you don't have any emotional investment in that, so you can sit there and watch one stock go against you and go, well, you know, it's only a paper trade, we'll see how it works out.

21

00:03:18.950 --> 00:03:32.880

Dan Fitzpatrick: And then it continues to fall and fall and fall. Okay, fine. But then you don't care, because you just hung on to it, anyway, and then it comes back up, and it ultimately makes a profit for you on paper. Of course, you don't get the money.

22

00:03:32.920 --> 00:03:51.730

Dan Fitzpatrick: But you also didn't experience the pain of seeing that position fall so far that you're wondering if you should average down or shoot yourself. And that is a key part of trader development. You have to get past that aspect of not having

23

00:03:51.890 --> 00:04:06.059

Dan Fitzpatrick: not having any kind of an emotional attachment, with a trade. And the way... and you can do that, by the way, by paper trading. That's one of the things I recommend people do with TradeTrack, if you're not really...

24

00:04:06.510 --> 00:04:08.480

Dan Fitzpatrick: If... if you're not really...

25

00:04:08.560 --> 00:04:25.970

Dan Fitzpatrick: I don't know, I can't think of a better word. If you're not really good at trading yet, or if you're not really accomplished, you know, you're brand new. And by the way, you may have been trading for 20 years, but now you're brand new because you're seeing things a little bit differently. But anyway, the bottom line is, if you're still kind of struggling.

26

00:04:25.970 --> 00:04:30.580

Dan Fitzpatrick: Then, the best way to get through that is to

27

00:04:30.580 --> 00:04:36.349

Dan Fitzpatrick: Paper trade, because if you don't have enough money to put on the line, you paper trade.

28

00:04:36.580 --> 00:04:41.770

Dan Fitzpatrick: But you have to paper trade with rules. You must have...

29

00:04:41.900 --> 00:04:52.250

Dan Fitzpatrick: Non-discretionary stops. You take a trade, you know where you're taking it, you put your stop here, that defines your risk. If you are stopped out, you're out.

30

00:04:52.480 --> 00:04:59.459

Dan Fitzpatrick: That's it. Because you're not trying to make money, you're not seeing... you're not looking to see if you really got the...

31

00:05:00.170 --> 00:05:19.450

Dan Fitzpatrick: Well, I was gonna say balls, but I can't do that. If you really got the courage, or whatever you want to call it, stubbornness, to ride through a serious drawdown, only to see it go back up, like, those things are bad habits. But if you are just trading, or you're trading really, really small, to where.

32

00:05:19.700 --> 00:05:27.129

Dan Fitzpatrick: A win doesn't get you excited. A loss doesn't get you bummed out. You're just kind of trading...

33

00:05:27.290 --> 00:05:35.559

Dan Fitzpatrick: without a care in the world, with no rules. Okay, that's not good. But if you're trading with rules.

34

00:05:36.580 --> 00:05:44.149

Dan Fitzpatrick: Now you're okay. If you're trading with rules, again, it can still be, I'm trading without a care in the world.

35

00:05:44.150 --> 00:05:57.529

Dan Fitzpatrick: Okay, well, why is that? You got money on the line. Well, yeah, I also have a process. I also have a method, a strategy, I have a way to trade that, over time, has been pretty successful for me.

36

00:05:57.530 --> 00:06:00.890

Dan Fitzpatrick: Over time, as long as I stick to the process.

37

00:06:00.910 --> 00:06:12.459

Dan Fitzpatrick: I ain't gonna make money on every trade. I may not make money on half of my trades. Sometimes, I'll make money on 60 or 70% of the trades. Thank you, Mr. Market. Other times.

38

00:06:13.380 --> 00:06:17.270

Dan Fitzpatrick: I may struggle to get 3 out of 10.

39

00:06:17.400 --> 00:06:24.159

Dan Fitzpatrick: But either way, I'm sticking to my process, and as long as I'm sticking to my process.

40

00:06:24.510 --> 00:06:35.699

Dan Fitzpatrick: then I'm trading without a care in the world, because I'm gonna take losses on some, and that's okay, because they're small. I'm gonna take profits on others. Some of those might be small, too.

41

00:06:35.700 --> 00:06:52.770

Dan Fitzpatrick: But some of them might be really, really good, really, really big. All the while, I'm sticking to my process. That's what I am. I'm not a stock trader, I'm not an option trader, I'm a process trader. And when you are a process trader with all the rules.

42

00:06:52.850 --> 00:07:10.590

Dan Fitzpatrick: Now you literally are trading without a care in the world. Well, maybe a little care, but you get my point. If you're trading to where every trade is according to a process, then here's the thing. You don't have any failures. None of your trades are gonna fail.

43

00:07:10.600 --> 00:07:32.230

Dan Fitzpatrick: You really don't even have losing trades. What you have are outcomes, and there's a difference. That's part of NLP, neuro-linguistic programming. That's one of the things that you learn, is that there's no such thing as failure, there's only outcome. And you can go ahead and describe things as, well, my business failed, or that failed, or this failed.

44

00:07:32.230 --> 00:07:36.760

Dan Fitzpatrick: I don't know how else you'd describe it, but in your mind.

45

00:07:36.860 --> 00:07:48.820

Dan Fitzpatrick: You don't want to look at it as a failure. You want to just say, okay, well, this is the outcome. I mean, this is one of the rule... this is one of the reasons why entrepreneurs are so good at failing.

46

00:07:49.040 --> 00:08:02.009

Dan Fitzpatrick: Because they try a lot of stuff. Some of it works, frankly, most of it doesn't. If you're an idea guy, most of your ideas aren't gonna pan out for various reasons, but is that a failure?

47

00:08:02.240 --> 00:08:18.920

Dan Fitzpatrick: No, man, I'm just, thought it was an idea, and at least I failed quickly, as opposed to agonizingly over millions of dollars, or something like that. So, the point is, you want to be always focused on process, always focused on

48

00:08:18.920 --> 00:08:22.709

Dan Fitzpatrick: Not just risk, I talk about risk all the time, start with risk.

49

00:08:23.090 --> 00:08:36.889

Dan Fitzpatrick: But I'm modifying that a little bit, and I'm saying, start with reward first, and then wonder, is it worth the risk? So it's still risk-reward, but the point is, if you're doing all of these things.

50

00:08:37.260 --> 00:08:40.469

Dan Fitzpatrick: you're not gonna fail. You'll just have...

51

00:08:40.690 --> 00:08:55.900

Dan Fitzpatrick: different outcomes on various endeavors, various trades. And we talked... I'll show you some stuff right at the end of this thing, about our 59-minute trader, sessions. They were... they were really good, both of them. Totally different.

52

00:08:56.140 --> 00:09:11.859

Dan Fitzpatrick: But people made a lot of money in both of them. But, the point is that one person said, hey, and he made a really good amount of money, but he was really encouraging, and he said, hey, guys, you know, if anybody's really struggling here.

53

00:09:12.340 --> 00:09:25.490

Dan Fitzpatrick: don't worry about it. I mean, if you stick to the process, you're gonna get better. He was really encouraging, and this goes beyond day trading, or 59-minute trader, trading, as I call it.

54

00:09:25.490 --> 00:09:40.239

Dan Fitzpatrick: Because after that, you're just busy giving your money back. But he was saying, look, if you just stick to the process, know that you'll get better at it. You'll get better and better, and as you get better and better, you're gonna make more money.

55

00:09:40.240 --> 00:09:42.609

Dan Fitzpatrick: So, it doesn't matter...

56

00:09:42.670 --> 00:09:49.809

Dan Fitzpatrick: It shouldn't matter where you are right now. If you're just... I mean, look, let's be real.

57

00:09:49.980 --> 00:09:56.910

Dan Fitzpatrick: If you're just starting trading, You're not good enough to make a bunch of money.

58

00:09:57.350 --> 00:10:12.260

Dan Fitzpatrick: you're not. I've told this story many times, so some of you might be, might be bored with this, but it's about Huey Lewis. I heard, him, interviewed on some radio station. It had to be, probab... almost 25

59

00:10:12.260 --> 00:10:25.070

STOCK MARKET[®] MENTOR

Dan Fitzpatrick: probably about 25 years ago, about him being in a pro-am golf tournament, so he was obviously the amateur, and he was... he was really playing pretty bad. And one time he shanked one, into the...

60

00:10:25.070 --> 00:10:33.760

Dan Fitzpatrick: I don't think he got lost in the woods, I think he got buried in water, but he shanked a really, really bad shot, and so he tossed his club.

61

00:10:33.760 --> 00:10:44.759

Dan Fitzpatrick: And the pro that he was playing with said, what's wrong? What's going on? He goes, oh, I'm just playing really bad. I really suck today. And the guy looked at him, and he goes.

62

00:10:44.830 --> 00:10:47.989

Dan Fitzpatrick: He looked at him, like, puzzled, and he said.

63

00:10:48.470 --> 00:10:50.830

Dan Fitzpatrick: You're not good enough to get mad.

64

00:10:50.920 --> 00:11:15.909

Dan Fitzpatrick: And that really, really struck me, because it's almost like a rule of life, or of any endeavors, that you... that you venture out with, you know, anything that you're trying to do. Anything... they say anything that's worth doing is worth doing well. Okay, so anything that's gonna be profitable isn't gonna be done overnight... overnight. And so, I want you to really be focusing on the things that I'm talking to you about

65

00:11:15.910 --> 00:11:20.360

Dan Fitzpatrick: Not just today, but over these, weekend study sessions.

66

00:11:20.360 --> 00:11:36.490

STOCK MARKET MENTOR

Dan Fitzpatrick: I don't know, for as long as I'm alive, and I'm pretty damn healthy. So, I want you to be focusing on this, and realize that all the things that I'm teaching you, all the things that I'm showing you every week, they're intended to help you get over the hump.

67

00:11:36.900 --> 00:11:41.980

Dan Fitzpatrick: To help you get to where you want to be, to be that...

68

00:11:42.340 --> 00:11:48.869

Dan Fitzpatrick: be that trader that you know you can be. I mean, frankly, you flip and think you should be now.

69

00:11:49.040 --> 00:11:50.330

Dan Fitzpatrick: But you aren't.

70

00:11:50.450 --> 00:11:58.010

Dan Fitzpatrick: And that can be really frustrating. I've coached traders in various venues, and

71

00:11:58.370 --> 00:12:11.909

Dan Fitzpatrick: some of them, I'm thinking about one in particular, who was... was really, really impatient with himself, and he was really, really struggling. And so, I said... I worked with him a lot.

72

00:12:12.410 --> 00:12:23.299

Dan Fitzpatrick: And he was really struggling, sometimes he'd take a big loss, but not very often. Most of the time, he would be in the right stock, and we'll go into this a little bit today.

73

00:12:24.730 --> 00:12:27.099

Dan Fitzpatrick: He would be in the right stock.

74

00:12:27.680 --> 00:12:32.630

Dan Fitzpatrick: But he would sell it for, like, a 5% profit.

75

00:12:32.800 --> 00:12:51.510

Dan Fitzpatrick: Only to see it go on for another 20%, 30%, whatever it is. In other words, he would sell too soon, and then I was looking at his losses, and his losses were actually really, really tight, too. So I want you to think about this, and ponder.

76

00:12:51.510 --> 00:12:53.539

Dan Fitzpatrick: Does this pertain to me?

77

00:12:53.660 --> 00:13:04.749

Dan Fitzpatrick: What this trader was doing was he was very, very concerned about risk. He was very concerned about losing money, and that's a good thing.

78

00:13:04.890 --> 00:13:23.520

Dan Fitzpatrick: That's a good thing. He was very... he was playing all his cards really close to the vest, really close to the vest, not... not putting much, if you're, if you're gambling, not putting much money in the pot, that kind of thing. And so, he was really keeping his losses tight.

79

00:13:23.520 --> 00:13:30.550

Dan Fitzpatrick: But the problem for him was he wasn't allowing the stocks that he was right on

80

00:13:30.560 --> 00:13:31.950

Dan Fitzpatrick: To pay him off.

81

00:13:32.260 --> 00:13:42.440

Dan Fitzpatrick: He was just saying, okay, well, okay, I'm gonna sell this stock, oh, I took losses on the last two stocks, so I got this one, I'm gonna sell it at... and it's a 5% gain.

82

00:13:42.440 --> 00:13:52.499

Dan Fitzpatrick: Or something like that. And so, the idea to me is, and I've been at this game for more than 30 years, and really, really struggled

83

00:13:52.550 --> 00:14:10.629

Dan Fitzpatrick: myself to get over my hump, because I have... I can be, emotional sometimes, I always have been. And if that bleeds over into your trading, man, you got a real problem. And so, this is one of the reasons why I just decided, like, hey, man.

84

00:14:10.630 --> 00:14:16.830

Dan Fitzpatrick: I gotta be a rules-based trader. I gotta be a rules-based trader, or I'm gonna blow up.

85

00:14:17.060 --> 00:14:41.120

Dan Fitzpatrick: again. And so that's why I'm doing what I'm doing now. But the idea is, if you are... if you're... if I'm describing you where you're taking pretty small losses, but you're also not making many gains on the stocks that you're trading, I think what's happening is you're not able to get over the emotional hurdles. You're not able to...

86

00:14:41.870 --> 00:14:46.780

Dan Fitzpatrick: I almost want to say do robotic training, or trading. You're almost...

87

00:14:46.780 --> 00:15:10.279

Dan Fitzpatrick: you're not able to really look at this and say, okay, I've got a stock that's making money now, this is totally independent of the last trade I took, or the last 19 losses in a row that I've had. Whatever it is, today's a new day, you can't go back to yesterday, you can't go to tomorrow, live in the moment, make the trade. But you make the trade with your rules.

88

00:15:10.420 --> 00:15:20.030

Dan Fitzpatrick: You really, really gotta do that. I can't emphasize that enough. You have to be a rules-based trader. Now, are there exceptions to the rules?

89

00:15:20.370 --> 00:15:32.019

Dan Fitzpatrick: There shouldn't be, but there are. I just say it, there are. Sometimes, you say, well... and I'll be talking more about this in the, you know, in the weeks and even months to come.

90

00:15:32.400 --> 00:15:43.050

Dan Fitzpatrick: On the weekends, but sometimes you look at a trade and you have a lot of experience. You've seen things, and you've seen big moves in stocks that have not met your

91

00:15:43.050 --> 00:15:54.399

Dan Fitzpatrick: rules have not met your strategies yet, they've still been big winners, and you look at it and you have two thoughts. First of all, crap, I should have bought that stock. Second of all.

92

00:15:54.460 --> 00:16:03.580

Dan Fitzpatrick: Well, it didn't fit within my rules, and so this one worked out, but my rules tell me... my experience tells me that a lot of them don't.

93

00:16:03.700 --> 00:16:08.009

Dan Fitzpatrick: And so, I made the right decision in not taking that trade.

94

00:16:08.240 --> 00:16:16.859

Dan Fitzpatrick: Even though I saw the trade move up, right? Okay, so after a while, here's the thing. Like, you look at enough of those types of trades that didn't...

95

00:16:16.890 --> 00:16:29.329

Dan Fitzpatrick: work, or that you look at enough of those types of trades that didn't suit your process, but you just look at them and watch them go higher. And you knew they would go higher, but they didn't fit your process.

96

00:16:29.740 --> 00:16:35.410

Dan Fitzpatrick: maybe you have to say, okay, well, that's a different part of my process. I'm now...

97

00:16:35.600 --> 00:16:46.279

Dan Fitzpatrick: You know, I can, I know two styles of dancing. I can do ballroom dancing, and I can do salsa. Now, I can do neither. My... Jennifer tells me

98

00:16:46.850 --> 00:16:57.510

Dan Fitzpatrick: don't try to dance because it's really ugly, and I'm no longer attracted to you. But, some people, you're dancing fools, right? So...

99

00:16:57.510 --> 00:17:10.999

Dan Fitzpatrick: And that's, you know, ABBA talked about, sang about that. So, the bottom line, though, is if you see a certain pattern that seems to always work, but it doesn't fit your process, okay, well then develop a new process. Now you've got two.

100

00:17:11.130 --> 00:17:17.000

Dan Fitzpatrick: One thing that comes to mind, I'm not gonna show you, I haven't prepared for this, I'm just...

101

00:17:17.800 --> 00:17:31.320

Dan Fitzpatrick: kind of speaking off the top of my head here. One thing that comes to mind are these power moves, where a stock run... a stock breaks out, runs up 50%, at least 50%,

102

00:17:31.320 --> 00:17:43.889

STOCK MARKET[®] MENTOR

Dan Fitzpatrick: And then starts... it doesn't just reverse like it's a blow-off top, but it runs 50%, and then it holds in the pattern for a certain amount of time. And this is a classic Bill O'Neill.

103

00:17:43.890 --> 00:17:53.420

Dan Fitzpatrick: trade. Mark Mintervini also teaches, it's why I'm teaching it too, not here, but it's a power move where the stock moves enough

104

00:17:53.420 --> 00:17:59.779

Dan Fitzpatrick: and then it doesn't come back down, it trades on low volume, so what is that telling you? It's telling you, wow.

105

00:17:59.950 --> 00:18:08.530

Dan Fitzpatrick: There aren't a lot of sellers, even at this 50, 60, 70% gain. Not a lot of sellers, but what there are?

106

00:18:08.920 --> 00:18:21.370

Dan Fitzpatrick: are buyers that are taking that stock and holding it, keeping the stock up, they want it, even at that higher price. And so, at that point, you don't buy the stock, but you wait.

107

00:18:21.480 --> 00:18:25.129

Dan Fitzpatrick: You wait to react to the next breakout.

108

00:18:25.170 --> 00:18:34.030

Dan Fitzpatrick: Doesn't mean that it's always gonna come, but if it does come, what I've just described to you is a viable trading pattern.

109

00:18:34.030 --> 00:18:45.570

Dan Fitzpatrick: It is. That's a viable trading pattern. So, if you do a little more work on that, and maybe, if you want me to look at, you want me to look at some, or find some, just post it in the forum.

110

00:18:45.570 --> 00:18:59.380

Dan Fitzpatrick: Or email Karen at stockmarketmentor.com, and I'll see if I can get into that in a little more detail. But that, what I just described, isn't really a key... it's not a part of the process that I teach.

111

00:19:00.100 --> 00:19:15.250

Dan Fitzpatrick: But I'm showing you now, like, I know a lot of different ways to trade, and I will be, I really work on teaching you as much as I can, but it has to be within the framework

112

00:19:15.410 --> 00:19:21.059

Dan Fitzpatrick: of a strategy, of a trading process, okay? So...

113

00:19:21.440 --> 00:19:38.239

Dan Fitzpatrick: Anyway, thanks for bearing with me on that. Not that you had a choice, because this is a video as opposed to a live session, and you can't leave. So... but this is really... this is what it gets down to. If you really look at this, I gotta share my screen here.

114

00:19:40.980 --> 00:19:42.050

Dan Fitzpatrick: Okay.

115

00:19:44.020 --> 00:19:54.340

Dan Fitzpatrick: Okay, if you really look at this SMART strategy, market, actionable, risk, reward, and track your trades, if you really look at this strategy.

116

00:19:54.340 --> 00:20:09.270

Dan Fitzpatrick: I think it's an excellent strategy. I was just really lucky that I found an acronym, that was SMART instead of something else. But if you really look at the different components of this, this can apply, it definitely applies to business.

117

00:20:10.070 --> 00:20:13.700

Dan Fitzpatrick: No question about it. Since I started,

118

00:20:14.140 --> 00:20:17.519

Dan Fitzpatrick: since I started applying my own strategy.

119

00:20:17.630 --> 00:20:20.170

Dan Fitzpatrick: To business and not just stocks.

120

00:20:20.290 --> 00:20:23.939

Dan Fitzpatrick: I'm changing a lot of things, because...

121

00:20:24.470 --> 00:20:39.549

Dan Fitzpatrick: some of the things that I've been doing just don't meet the strategy that I have, or they don't meet, not the, quote, market conditions, but just, what am I trying to get into?

122

00:20:39.690 --> 00:20:41.839

Dan Fitzpatrick: And I could go on, but I won't.

123

00:20:42.140 --> 00:20:58.770

Dan Fitzpatrick: let's just stick to trading. If you don't have a strategy, then you're really gonna struggle, and I have slides on each one of this, so I'll get to it. But you have to be looking at market conditions. Does your strategy fit into the market conditions? Okay, this is good. Now, is it actionable?

124

00:20:58.770 --> 00:21:14.830

STOCK MARKET MENTOR

Dan Fitzpatrick: Because part of a strategy, you gotta have some kind of action. There has to be, otherwise, just, well, there's a stock, I'll buy it. And then you also have to look at the reward versus the risk. And then finally, you have to be monitoring or tracking your trades, and I've given you guys

125

00:21:15.700 --> 00:21:19.330

Dan Fitzpatrick: A real simple way to do this, like, almost...

126

00:21:20.450 --> 00:21:38.219

Dan Fitzpatrick: like, you can't excuse yourself and say, no, it's too much trouble. And I'll get to that when we get to that section, but I'm just going to kind of walk you through some basics here, and then I want to show you some things on a base breakout strategy, so...

127

00:21:38.220 --> 00:21:40.839

Dan Fitzpatrick: Strategy first, then the stock.

128

00:21:40.840 --> 00:21:58.319

Dan Fitzpatrick: You want to be looking at, like, what kind of trade, what type of trade am I doing? Is this... am I a swing trader? Is it just, like, a position trade? Like, I want to build a position, longer-term, position? Or is it a momentum breakout? Are you doing any of these, or are you doing all of these?

129

00:21:58.330 --> 00:22:08.779

Dan Fitzpatrick: Is this a pullback entry? Do I have an income strategy where I only focus on high-yielding stocks? Or, I do like the wheel

130

00:22:08.780 --> 00:22:27.139

Dan Fitzpatrick: strategy where I own a stock and then I sell calls against it, or puts. And by the way, I'm actually writing a book in the crypto space called The Crypto Income Engine, because most of you probably don't know this, but you can actually write covered calls.

131

00:22:27.240 --> 00:22:31.420

Dan Fitzpatrick: on crypto. Not every coin, but you can write.

132

00:22:31.420 --> 00:22:45.360

Dan Fitzpatrick: or sell calls. Call options, just like you do a stock, sell call options against your crypto, okay? Well, that's an income strategy. I won't get into that now, but that's an income strategy. So, what I'm saying is, if...

133

00:22:45.360 --> 00:22:52.840

Dan Fitzpatrick: If you don't know your strategy, then you don't know what to do next. And also, you're not gonna get better at it, because there's nothing to get better at.

134

00:22:52.850 --> 00:23:05.229

Dan Fitzpatrick: Only takes a minute to click your mouse. Then you're back on the sidelines, either waiting or watching. Okay, so you gotta have the strategy right, and then market conditions. Is the overall market healthy?

135

00:23:05.230 --> 00:23:12.949

Dan Fitzpatrick: is institutional money flowing into stocks. And also, the sector. I don't...

136

00:23:13.480 --> 00:23:29.260

Dan Fitzpatrick: for whatever reason, I just haven't talked too much about this, in our live training sessions, but I think I'll probably start focusing on this a little bit more. For example, the, like the NASDAQ,

137

00:23:29.260 --> 00:23:37.219

Dan Fitzpatrick: or the S&P can be kind of sluggish, but then if you're looking at the semiconductors, the SMH is...

138

00:23:37.530 --> 00:23:51.610

STOCK MARKET MENTOR

Dan Fitzpatrick: cranking it. So, you have to get past the market and just look at the sectors and say, well, the market may be weak, but this sector is doing well, or this industry group is doing well, and my stock

139

00:23:51.610 --> 00:24:09.010

Dan Fitzpatrick: is in that sector. It's in that industry group. And so, what you're doing is you're looking at the market in a more concentrated or granular level, so that's really important. And also, like, are growth stocks working? Sometimes...

140

00:24:09.010 --> 00:24:11.750

Dan Fitzpatrick: Lately, the answer's yes. I mean...

141

00:24:11.940 --> 00:24:23.010

Dan Fitzpatrick: It's almost hard to remember when growth stocks weren't working. There does come a time in bear markets where value stocks start to work better, but in that case.

142

00:24:23.390 --> 00:24:27.830

Dan Fitzpatrick: The overall market is typically not healthy, so that tells you something, too.

143

00:24:28.210 --> 00:24:42.299

Dan Fitzpatrick: But then also, it really, really gets down to this. Is the stock trading with or against the market? We want to see, we want to always be swimming with the current, not against it. And you will find

144

00:24:42.300 --> 00:24:53.919

Dan Fitzpatrick: that you can be... and this can be a cause of problems for a lot of traders, a lot of new traders. You've got a particular strategy, and it works really, really well.

145

00:24:53.920 --> 00:25:07.159

STOCK MARKET[®] MENTOR

Dan Fitzpatrick: And it has been working really well for a while, while the market's been really strong. But you're just looking at your strategy, and you're saying, yeah, I got a good strategy. And then the market turns, but it's not really noticeable.

146

00:25:07.160 --> 00:25:12.780

Dan Fitzpatrick: To you, because your strategy's still working, and then after a while, it kinda doesn't work so well.

147

00:25:12.940 --> 00:25:31.700

Dan Fitzpatrick: And finally, you're scratching your head, wondering what's going on. And what's going on is, you've got the good stocks, you've got the proper breakouts, you've got everything on your side, but then, Mr. Market says, well, we'll see about that. And you get crushed with a lot of selling, because it's like.

148

00:25:31.930 --> 00:25:32.880

Dan Fitzpatrick: What's...

149

00:25:33.120 --> 00:25:51.519

Dan Fitzpatrick: Remember, you know that, hopefully none of you have been on the receiving end of this, but when the girl breaks up with you, or you break up with the girl, and you want to let him down easy, and you go, hey man, it's not you, it's me. Okay, that's what the market can be telling you. I know you're in the right stocks, but...

150

00:25:52.260 --> 00:26:08.909

Dan Fitzpatrick: It's me. And so, always be mindful that the market conditions absolutely matter, okay? And then we're looking at actionable, and I mentioned this when we were talking about strategy. If you just have a strategy, but you don't have a specific

151

00:26:09.070 --> 00:26:15.849

Dan Fitzpatrick: Trigger. A specific thing that has to happen before you actually put your money to work.

152

00:26:15.850 --> 00:26:33.839

STOCK MARKET MENTOR

Dan Fitzpatrick: then you don't have the complete trade. So you gotta have the strategy, the market needs to be setting up for you, and then you have to have that one trigger that says, yes, I'm in. Is the stock ready to go? And again, I've got a breakout slide that I'll show you.

153

00:26:33.840 --> 00:26:46.310

Dan Fitzpatrick: that walks you through this. But it really gets down to, am I early, or am I chasing? And if you're somewhere in the middle, you've probably got a good trade going. But ultimately.

154

00:26:46.310 --> 00:26:54.460

Dan Fitzpatrick: It's just like NTNT. No trigger, no trade. And then risk versus reward is for the R.

155

00:26:55.200 --> 00:27:10.379

Dan Fitzpatrick: I say every good trader, every very, very successful trader always focuses on risk. They start with risk first, alright? You can read it everywhere. I want to modify that because I know this is true.

156

00:27:10.690 --> 00:27:18.789

Dan Fitzpatrick: And I've said this, I haven't said this in quite a while, but I'll say it now. You can buy any stock at any time and have virtually zero risk.

157

00:27:19.700 --> 00:27:30.950

Dan Fitzpatrick: Prove me wrong. Buy any stock at any time, and have virtual... have, like, a 2% risk. You know how you do that? Set your stop at 2% below where you buy the stock.

158

00:27:31.080 --> 00:27:38.529

Dan Fitzpatrick: That's it. You can buy a total blow-off top, bubble, the whole bit. Buy it right at the top.

159

00:27:39.010 --> 00:27:45.790

Dan Fitzpatrick: set a 2% stop, you've done that, and you have, like, virtually zero risk. But...

160

00:27:46.460 --> 00:27:49.580

Dan Fitzpatrick: What was your potential reward on that?

161

00:27:50.090 --> 00:28:02.160

Dan Fitzpatrick: not very good. And if you're buying, like, in that case, if you happen to be buying, say, right in the middle of this big move higher, then sure, that would have been great.

162

00:28:02.580 --> 00:28:12.860

Dan Fitzpatrick: some trades work out awesome, some trades don't, but you have to look at it and say, well, I kind of lucked out on that one. But...

163

00:28:13.030 --> 00:28:32.929

Dan Fitzpatrick: over time, what you need to be doing is you have to be focusing first on, is, as they say, is the juice worth the squeeze? But is the potential reward even worthy of me putting my money into this stock? Because I can buy a stock and say, well, I'll just keep a stop at 4%.

164

00:28:33.150 --> 00:28:49.109

Dan Fitzpatrick: Okay, well, that's fine. So far, you're just planning on losing 4%. It's like walking through the casino, through the blackjack tables, and having 500 bucks, and saying, like, okay, well, you know, if I lose 500, or I should say, when I lose 500 bucks, I'm out.

165

00:28:49.450 --> 00:29:03.220

Dan Fitzpatrick: Okay, well, you just set a stop loss on your losses, and if you stick around long enough, you're gonna wind up losing money. So, trading without considering the reward, considering the upside, before you make the trade.

166

00:29:03.410 --> 00:29:20.689

Dan Fitzpatrick: That, frankly, is... you're planning to lose, and you're deciding how much you're gonna lose, because most charts don't give you anything, and when I'm in my weekly, live training sessions.

167

00:29:21.190 --> 00:29:40.979

Dan Fitzpatrick: Most of the stocks that I get asked about, and this is all good, like, bring a stock, ask me about it. Most of the stocks I get asked about, though, I look at it, and I think every once in a while, I'll say, psh, I need to put this on the active trade list right now. But most of the time, it's like, no, that pattern's just all sloppy, or...

168

00:29:40.980 --> 00:29:50.980

Dan Fitzpatrick: no, that doesn't work because of this or that. There's, like, always something, and a lot of times, many things that are wrong with the stock.

169

00:29:51.010 --> 00:29:56.750

Dan Fitzpatrick: that make it not part of my trading strategy. And so...

170

00:29:56.750 --> 00:30:08.660

Dan Fitzpatrick: what you have to realize is, what I'm looking at there is, I don't see enough potential reward, and not like wishful thinking, oh, this time is different. I don't see enough potential reward

171

00:30:08.660 --> 00:30:17.359

Dan Fitzpatrick: To merit me taking any risk, because one thing you don't hear about, you know, few people talk about it, is the risk of time.

172

00:30:17.890 --> 00:30:33.180

Dan Fitzpatrick: And that kind of gets back to the entry, but I've talked about that, I think it was just last week, but is the risk of time. If you're in a trade, and you haven't gotten a trigger that tells you it's go time, so you're just in the trade.

173

00:30:33.320 --> 00:30:44.750

Dan Fitzpatrick: what you risk is your time. Are you just kind of wasting your time? Is your money sitting in a non-returning asset? It's... it's just a...

174

00:30:44.750 --> 00:30:52.990

Dan Fitzpatrick: That's a problem that most people don't realize, because if you're sitting in something that's really not making you any money.

175

00:30:52.990 --> 00:31:08.830

Dan Fitzpatrick: then over time, it gets kind of frustrating. You start to get bored, and then after a while, you can get resentful, you can start looking at yourself like, what the heck am I doing? Now I'm afraid to sell it, because I know as soon as I sell it, now it's gonna blast off.

176

00:31:08.830 --> 00:31:18.229

Dan Fitzpatrick: And the next thing you know, just emotionally, you're just feeling bad, you're feeling inferior, and you're feeling like, maybe I'm not cut out for this stuff.

177

00:31:18.700 --> 00:31:33.599

Dan Fitzpatrick: But what's really going on is, you're not considering the time aspect of risk, and it's a big deal. Just stop and think about it. It's a big deal. If you happen to get a stock.

178

00:31:34.400 --> 00:31:52.709

Dan Fitzpatrick: you just... you get it just right, and it was for a long-term trade, and you're assuming it's gonna do whatever it's gonna do, and then within a week or two, the thing pops up 30 or 40%. Okay, well, don't look at that and say, well, it's a long-term trade, so I'll just hang on.

179

00:31:52.910 --> 00:32:12.009

Dan Fitzpatrick: No, you can hang on to some of it, that's fine, but did you really expect your long-term trade to be up 40% in a week, or two weeks? No, you didn't. If you did, you'd have loaded the boat and been all in. But instead, it's a long-term position, but it really, really outperformed in a short matter of time.

180

00:32:12.170 --> 00:32:25.419

STOCK MARKET MENTOR

Dan Fitzpatrick: And so you say, well, I gotta take some profits on this thing. Maybe I won't sell it all. Maybe I will sell it all and then wait for it to pull back, use the profits that I just took, buy some more stock, and my cost basis is even lower.

181

00:32:25.440 --> 00:32:33.629

Dan Fitzpatrick: The point is, you have to be looking at the time value of risk, and the time value of reward.

182

00:32:33.720 --> 00:32:40.509

Dan Fitzpatrick: So, it's just really important that you be mindful of this type thing. But, you know, think about it.

183

00:32:40.780 --> 00:32:59.220

Dan Fitzpatrick: This is SMART, 5 letters. Like, it would be tough if it was, like, honorific capital, etudinatabus. Like, that would be a process with an acronym that's really... not even an algorithm could figure that out. So, we're gonna keep it smart, right? And then finally.

184

00:32:59.220 --> 00:33:01.289

Dan Fitzpatrick: Again, tracking your trades.

185

00:33:01.290 --> 00:33:18.330

Dan Fitzpatrick: Because this helps you understand... well, I'll put it this way, if you're not measuring things, if you don't exactly know what mistakes you're making, you're not going to be able to fix them, because you don't even know what to fix. You just know that you're confused when some of your trades work out and some of them don't.

186

00:33:18.330 --> 00:33:23.640

Dan Fitzpatrick: And so, only when you look at what your trades are actually doing.

187

00:33:24.040 --> 00:33:36.530

STOCK MARKET MENTOR

Dan Fitzpatrick: can you really see what you are doing? And the easiest way... again, I talk about TradeTrack, and I will, sometime next month, I'm gonna be...

188

00:33:36.840 --> 00:33:54.219

Dan Fitzpatrick: let's just say making it a little more accessible to you, actually a lot more accessible to you, because what I want to do is, I want to take away your excuse for, for not tracking your trades. As an aside here, Mark Minervini.

189

00:33:54.580 --> 00:33:56.069

Dan Fitzpatrick: Was, had a...

190

00:33:57.320 --> 00:34:21.019

Dan Fitzpatrick: I don't know, he was, webinar a few weeks ago, something like that, and one guy had a question about his trades, and he was frustrated. He's kind of the trader that I just, mentioned, where, not that guy, but, where he, he was taking small losses, but he was also taking small profits, and he wasn't really making any money, and what's he doing wrong, and all that kind of stuff. It was kind of a detailed question.

191

00:34:21.020 --> 00:34:22.360

Dan Fitzpatrick: And Mark said.

192

00:34:22.360 --> 00:34:32.850

Dan Fitzpatrick: he was very matter-of-fact. Sometimes Mark can be really matter-of-fact, but in this case, he was just answering them, and he said, you know, nowhere in your question

193

00:34:33.110 --> 00:34:48.719

Dan Fitzpatrick: do I see any indication that you've actually, tracked your trades, that you've actually measured your trades, you've actually looked at them? Instead, you're just looking at the results, but if... but I can't help you.

194

00:34:48.830 --> 00:34:51.670

Dan Fitzpatrick: If you do not know

195

00:34:52.449 --> 00:35:00.090

Dan Fitzpatrick: what you're doing. And here's the thing, it doesn't have to be a big numerical

196

00:35:00.410 --> 00:35:13.639

Dan Fitzpatrick: Exercise. You don't have to get in a parade of calculators. All you have to do on a very, very minimal, basic level is go back.

197

00:35:14.290 --> 00:35:18.209

Dan Fitzpatrick: Go back to your... I mean, it doesn't really help to do it in real time.

198

00:35:19.220 --> 00:35:32.889

Dan Fitzpatrick: Well, it does... like, it would with TradeTrack, or any other trading tracking platform, but I'm gonna make it really easy for you. Go back to trades that you've made that you've closed, like, a month ago.

199

00:35:33.240 --> 00:35:47.360

Dan Fitzpatrick: Do that, like, so it's the... it's about the end of May here. So go back to trades that... not that you started, but trades that you actually closed down, 30 days ago, that you closed down in April.

200

00:35:47.900 --> 00:36:06.010

Dan Fitzpatrick: and then look at that chart, and then mark on the chart where you actually bought the stock, if we're just talking about longs, and most people are long only. So, put a little green dot, I don't know, do whatever you want to do, but put some indication on that chart of exactly where you bought the stock.

201

00:36:06.010 --> 00:36:11.450

Dan Fitzpatrick: Okay, you don't have to do anything more than that. Put that one little mark on there.

202

00:36:15.700 --> 00:36:21.149

Dan Fitzpatrick: You can even use a little marker, a pen, whatever you want to use.

203

00:36:21.440 --> 00:36:33.199

Dan Fitzpatrick: put that one little dot there, and then just analyze the chart, because what you've done is you've said, this is where I've entered, and this is what happened after the fact. And also, this is what happened

204

00:36:33.200 --> 00:36:44.260

Dan Fitzpatrick: before the fact. So what you're doing is you're pinpointing that one moment in time when you decided to take your money out and put it on the table.

205

00:36:44.510 --> 00:36:47.200

Dan Fitzpatrick: And then you look at that and say, okay.

206

00:36:47.580 --> 00:36:54.050

Dan Fitzpatrick: Let's go back further, Dan. Why did I decide to do that? What was my rationale?

207

00:36:54.460 --> 00:37:12.660

Dan Fitzpatrick: for buying that stock right there. Okay, that's one part of the trade, because you couldn't see the future. All you could look at is the price history of the trade, of the stock, and then for whatever reason, you made the decision right then, right there, to buy the stock.

208

00:37:13.060 --> 00:37:22.409

Dan Fitzpatrick: Why did you do that? You should be able to point at the chart, this is where you ultimately want to be. You should be able to point at the chart.

209

00:37:22.410 --> 00:37:34.610

Dan Fitzpatrick: Look at the prior trading history, whether it's for a week, if you're doing super short-term trading, or typically, like, if you're kind of swing trading, or whatever, or trend trading.

210

00:37:34.610 --> 00:37:46.519

Dan Fitzpatrick: Look back and see what the stock had done the previous 2 months, 3 months, 4 months, look at a weekly chart, but really analyze the price action in that chart.

211

00:37:46.880 --> 00:37:50.560

Dan Fitzpatrick: before you actually made the trade. And...

212

00:37:50.660 --> 00:38:09.760

Dan Fitzpatrick: Here's a little pro tip, too. You can go even a step further and move the chart back so that you don't see the future. You can move the chart back on your screen so the hard right edge, the very right edge of your chart is exactly what you saw

213

00:38:09.800 --> 00:38:11.610

Dan Fitzpatrick: When you bought the stock.

214

00:38:12.180 --> 00:38:17.690

Dan Fitzpatrick: Now, you have, you have a repeat episode.

215

00:38:18.360 --> 00:38:24.329

Dan Fitzpatrick: Now you know, okay, this is exactly what the chart looked like when I bought the stock.

216

00:38:25.570 --> 00:38:34.950

STOCK MARKET MENTOR

Dan Fitzpatrick: what was my process? And you look and see what you, like, did you follow a process? Did you even have a process? That's all you literally need to do.

217

00:38:35.230 --> 00:38:40.909

Dan Fitzpatrick: Forget about where you even sold, I mean, yes, you should, but let's just talk about the entry.

218

00:38:40.930 --> 00:38:51.219

Dan Fitzpatrick: Just do that, then slide the chart back, to present day, and see what happened. Was that a good trade? Okay, I've gone into a lot of detail, on that.

219

00:38:51.220 --> 00:39:06.289

Dan Fitzpatrick: I will go into even more detail at another time, but that ain't this. But what you need to be doing is not trading what you think, not... oh, well, I felt really good about that one, but it didn't work out. No. The market doesn't care if you felt good or bad.

220

00:39:06.290 --> 00:39:16.509

Dan Fitzpatrick: The market cares, your money cares, if you followed a process. And the only way you can really know if you're doing that consistently is to go back and look and see what... what did I do?

221

00:39:16.510 --> 00:39:17.960

Dan Fitzpatrick: Okay? So...

222

00:39:18.400 --> 00:39:31.490

Dan Fitzpatrick: what I want to do, after all, about a half hour, whatever it is, I just want to look at this focus on bases and breakouts, okay? And I'm going to make this really, really easy for you.

223

00:39:31.490 --> 00:39:42.079

STOCK MARKET MENTOR

Dan Fitzpatrick: But this is really what I'm focused on, and I had a real basic course last weekend, if you haven't seen it, maybe you want to go back and watch it, on...

224

00:39:42.880 --> 00:40:05.829

Dan Fitzpatrick: on bases, on entries, really. Not bases, but entries. And the email, the copy of the video or whatever was entitled, the entry is everything. But if you look through this and you say, like, your strategy determines your type of entry, market conditions affect the success of the breakout, again, these are entries, bases, and false breakouts.

225

00:40:05.830 --> 00:40:25.409

Dan Fitzpatrick: Actionable? Has your trigger been done? What's your risk-reward? Are you tracking your breakout entries, and have they worked or not? Have they been working? And you will, by the way, find you're making the same mistake again and again. And the point is, your entry

226

00:40:25.630 --> 00:40:36.449

Dan Fitzpatrick: if you just focus on the right entry, it's kind of like almost the stock doesn't matter. And the reason I say that is because if you know what your entry has to be.

227

00:40:37.330 --> 00:40:53.950

Dan Fitzpatrick: then most of the stocks that you look at, they don't even get past the first glance. So you have to be really focused on, where is my entry on this? Okay, now, here's the other thing. The stock isn't always the problem. Sometimes.

228

00:40:54.180 --> 00:41:11.129

Dan Fitzpatrick: It's the entry. So, the late entries go back to... think about what I was just saying as far as a risk-reward. If you're chasing a stock, it's already kind of given up a lot of its potential reward, and it's at more of a risk of pulling back. So, if you're late.

229

00:41:11.240 --> 00:41:32.050

Dan Fitzpatrick: That's a problem. If you're early, that's a problem, too, because it may not ever set up, you may be wasting a lot of time, or stock may move against you, and then you look at it later and go, why the heck did I even buy that, thing? And so, you don't want to be having bad entries by chasing, and also, this is something that

230

00:41:32.170 --> 00:41:34.260

Dan Fitzpatrick: May resonate with you.

231

00:41:35.660 --> 00:41:39.039

Dan Fitzpatrick: If you have a bad entry, you're buying high.

232

00:41:39.290 --> 00:41:53.040

Dan Fitzpatrick: You're gonna sit there, and you're gonna look at that stock, and let's say it doesn't come back down, it's, you know, you're good, it's fine. But you bought high, and then the more you look at that position, the more it kind of bugs you.

233

00:41:53.230 --> 00:41:56.030

Dan Fitzpatrick: Because you realize, okay, I bought...

234

00:41:56.160 --> 00:41:58.019

Dan Fitzpatrick: I bought high on this thing.

235

00:41:58.640 --> 00:42:18.010

Dan Fitzpatrick: And now, I'm not willing to accept much of a pullback, even if it's a natural pullback. Why? Because I'm playing with my money. I'm not playing with the house's money. You see, if you buy a stock right, then it will run up

236

00:42:18.070 --> 00:42:37.390

Dan Fitzpatrick: And now you've got a profit. And once you have a profit on a trade, then you have a better chance of being able to sustain a normal pullback, because stocks do go up and down. They don't just go up, if only. Only thing that goes up constantly is our national debt.

237

00:42:37.630 --> 00:42:51.729

Dan Fitzpatrick: The point is, if you've got a profit in the stock, then you're looking at a natural pullback, and you're saying, okay, well, that's a good thing, because hopefully this is, like, regrouping, and then I can get the next move higher again.

238

00:42:52.180 --> 00:43:02.189

Dan Fitzpatrick: maybe I should buy more. And then that's a whole different analysis. But all of that comes from a good entry. If you've got a bad entry, hello, shakeout.

239

00:43:02.330 --> 00:43:03.750

Dan Fitzpatrick: Can happen a lot.

240

00:43:03.770 --> 00:43:15.149

Dan Fitzpatrick: Okay? And then, so, let's look at, like, what a base, what a base is, here. And a base is a consolidation area

241

00:43:15.150 --> 00:43:31.779

Dan Fitzpatrick: It's a resting period after a move, and this can be different. A base can be a big ol' long, base breakout, or it can already have had a big move, and now it's just resting. I kind of described that, okay?

242

00:43:33.470 --> 00:43:49.320

Dan Fitzpatrick: And on that, situation that I mentioned when I was talking about these power moves, institutions can be accumulating shares during the base, and it can be a high base. Like, you had a big power move, and then the stock just drifts sideways.

243

00:43:49.320 --> 00:44:00.759

Dan Fitzpatrick: Well, that is a base. It's a high base, but it is a base. And so, the whole thing is, we're transferring stock from weak hands to strong hands, and there's no sh... I'm a weak hand.

244

00:44:00.960 --> 00:44:09.190

Dan Fitzpatrick: You know, I'm not gonna sit there and look at a... look at a stock that's going down to zero and going, oh, I'm in for the long haul. No, if a stock's moving against me.

245

00:44:09.250 --> 00:44:23.000

Dan Fitzpatrick: You know, I gotta be out, because it's not about me ultimately being proven right on the stock, it's actually me keeping my money. Okay, so... and think about it this way, bases are to... you don't just want to be buying a base.

246

00:44:23.000 --> 00:44:41.509

Dan Fitzpatrick: I mean, all you're doing then is sitting there while institutions are accumulating the shares all around you, and that's not a fun place, to be. So, bases are often just where the next major move is being, prepared. That's the best way to look at it. So...

247

00:44:41.510 --> 00:44:47.950

Dan Fitzpatrick: the breakout trigger. You want to insert a breakout chart here, you can go ahead and look at this stuff.

248

00:44:47.950 --> 00:45:03.530

Dan Fitzpatrick: And, just see where do I need to see, like, where can I see what the resistance level is? I'm looking for volume confirmation. I'm looking for the trigger point. And then think, like, why are traders entering here?

249

00:45:03.770 --> 00:45:11.970

Dan Fitzpatrick: Think about that. Why are trading enter... wire traders entering right here? And also, as you're doing that, think.

250

00:45:12.430 --> 00:45:37.399

Dan Fitzpatrick: where is the trade that it becomes actionable? Like, when do I get into a trade on a breakout so that I know that I'm in at the right time? And this is where timing, you know, comes into play. We'll look at a chart in a

STOCK MARKET MENTOR

second. Next slide. So, you gotta be thinking about the... along these lines, too. When you get false breakouts, institutions are hugely responsible

251

00:45:37.590 --> 00:45:40.869

Dan Fitzpatrick: For moves in stocks. More than you...

252

00:45:41.690 --> 00:45:51.399

Dan Fitzpatrick: More than you probably realize. Like, I talk about, oh, Billy Bob and Jethro buying stocks and stuff like that. It's Goldman Sachs and Morgan Stanley.

253

00:45:51.560 --> 00:46:09.650

Dan Fitzpatrick: You know, in big hedge funds. They're the ones that are providing and they're creating liquidity, and the way institutions create liquidity is they push the stock. They'll push the stock higher, above a breakout, to see if additional buyers come in. And if they do.

254

00:46:09.960 --> 00:46:21.409

Dan Fitzpatrick: Maybe that institution wanted to sell some shares, and so the way they sell shares is they juice the stock up to a level where they know it's gonna attract momentum traders.

255

00:46:21.530 --> 00:46:36.800

Dan Fitzpatrick: And then they start selling into that. Okay, guys, well, guess what that is? It's a fake breakout. It's a false breakout. It's a bull trap, where you see the stock going up, and you buy it, and then institutions say, thank you very much.

256

00:46:36.890 --> 00:46:48.110

Dan Fitzpatrick: for buying my stock. And then it's the same thing on the other side of the coin, where if institutions want to buy stock, they will often push the stock down

257

00:46:48.260 --> 00:47:02.240

STOCK MARKET MENTOR

Dan Fitzpatrick: just to find your stop. You can call it stop hunting, I just call it liquidity creation. They're looking for pockets of liquidity where they'll push a stock down below support because they want to buy it.

258

00:47:02.380 --> 00:47:04.980

Dan Fitzpatrick: And that gets sellers coming in.

259

00:47:05.120 --> 00:47:19.440

Dan Fitzpatrick: And then the institutions say, thank you very much, and they buy that stock, and it ultimately goes higher. And they can do that, think about it this way, they can do that during high bases. This is important, I'm giving you pearls here.

260

00:47:19.790 --> 00:47:38.389

Dan Fitzpatrick: They can do this during high bases, where you're looking at a stock, and you're going, my God, you know, this thing's gonna have to turn around and fall. It's gonna have to, and you're holding the stock, and you're waiting, and then... but the stock's still up in an elevated range, right? It's way up above the 50. It's not pulling back.

261

00:47:38.850 --> 00:47:47.200

Dan Fitzpatrick: But you just know it's not gonna go up much farther, if at all. So you've got a real, you know, real itchy trigger finger to sell.

262

00:47:47.320 --> 00:47:49.129

Dan Fitzpatrick: The stock comes down.

263

00:47:50.100 --> 00:48:10.699

Dan Fitzpatrick: you sell your stock. Maybe you made a profit, maybe you didn't, but you sell your stock because it's like, oh, this is the reversal that I've known was gonna happen, and then the stock runs up even higher. Okay, well, what was going on there? Well, first of all, the reason the stock wasn't originally coming down was that institutions aren't selling. They want to buy some more stock.

264

00:48:10.700 --> 00:48:28.330

Dan Fitzpatrick: They just don't want to be bidding against themselves. And then second of all, so they're... they want to buy stock, and then at some point, they say, alright, we need to shake the trees here a little bit. So they knock the stock down, shake out all the weak hands, they buy that stock, and then...

265

00:48:28.330 --> 00:48:30.480

Dan Fitzpatrick: The stock goes up even higher.

266

00:48:31.660 --> 00:48:41.099

Dan Fitzpatrick: Guys, that's why they call it trading, not winning. Okay, so, the thing is, like I said here, it moves where it needs to move.

267

00:48:41.630 --> 00:48:56.700

Dan Fitzpatrick: in order to create liquidity, and it's not personal to you or me, it's just what the market does. So, if it's revenge trading ever, it's revenge against yourself, it's not revenge against the market, the market didn't win.

268

00:48:56.770 --> 00:49:05.530

Dan Fitzpatrick: The market didn't lose, the market didn't take your money, the market didn't give you money, the market just did what the market does. It's all you.

269

00:49:05.660 --> 00:49:25.329

Dan Fitzpatrick: That's why I like if people... a lot of times I'll see people in the trading room, or I'll get an email or something, and thanking me, like, hey, my account's up 80% this year, or thanks for this trade, or that trade, you know, whatever it was. And I always say the same thing. I appreciate you letting me be a part of it.

270

00:49:25.640 --> 00:49:29.390

Dan Fitzpatrick: But it's your trade, it's your money, it's your decision.

271

00:49:29.660 --> 00:49:47.160

Dan Fitzpatrick: It's your accolades, let me pat you on the back. And that's the way you want to be thinking about your trading as well. You want to always be mindful that it's your decisions that you're making, within a market that doesn't know about you. It's kind of like surfing.

272

00:49:47.160 --> 00:49:58.559

Dan Fitzpatrick: We've talked about that, recently. It's just about surfing. You want to be time in the waves just right. And if you don't, it's not because the ocean doesn't like you.

273

00:49:58.620 --> 00:50:05.329

Dan Fitzpatrick: Okay? So, that's that. Now, let's look at this. This is what I'm talking about here. I just...

274

00:50:05.400 --> 00:50:21.220

Dan Fitzpatrick: I can find a bunch of charts, and I'll actually show you SanDisk in a minute, but they're just... they can be kind of noisy, so I thought, I'll make it really simple, for you. So, this is an uptrending stock. The base really kind of starts being formed after a little...

275

00:50:21.220 --> 00:50:29.709

Dan Fitzpatrick: sideways move here, and if I wanted to, you know, I could have drawn the, the green line, the support or line, like, up.

276

00:50:29.730 --> 00:50:41.940

Dan Fitzpatrick: to 52 or whatever, but I just left it down here to account for shakeouts. So, this is the base, alright? Notice the volume down here. So, this is resistance, pulls back.

277

00:50:42.840 --> 00:50:52.680

Dan Fitzpatrick: Stock comes back up to the high here. This was a pivot, right here now. This was a pivot because the stock came up and pulled back, so that's the pivot, breaks out here.

278

00:50:52.800 --> 00:51:09.119

Dan Fitzpatrick: above this prior resistance. And it's... this is... it's kind of minor resistance, because it was only one top in an uptrending stock, so who the heck knows what's gonna happen? Okay, so the stock comes back up here, it doesn't pull back, it breaks out.

279

00:51:09.120 --> 00:51:15.820

Dan Fitzpatrick: And you say, here's my chance. Now I'm in on this breakout. What happens? The stock comes up.

280

00:51:15.960 --> 00:51:22.529

Dan Fitzpatrick: And then pulls back down. So what was this? This was a lack of institutional buying.

281

00:51:22.760 --> 00:51:42.580

Dan Fitzpatrick: on this... once it broke out, and maybe it was trading at, I know, low volume. So this was a low volume breakout, and it wasn't ready to move higher. There was still more work to be done down here, so the stock comes back down, and you take your loss.

282

00:51:43.280 --> 00:51:45.050

Dan Fitzpatrick: Either a big one or a little one.

283

00:51:45.620 --> 00:52:01.129

Dan Fitzpatrick: But you take the loss, the stock is still right in the base, comes down, and now it's forming resist... Support right here. Excuse me, it's showing support right here again, and then here's another false breakout. A little bit better, though.

284

00:52:01.240 --> 00:52:11.219

Dan Fitzpatrick: Volume was a little bit higher here, a little bit higher. But then it comes back down again, low volume, and then finally, we get a move here.

285

00:52:11.410 --> 00:52:14.320

Dan Fitzpatrick: Volume has started to pick up already.

286

00:52:14.410 --> 00:52:35.659

Dan Fitzpatrick: We get a move here, but once the stock ultimately breaks out, and you could say, well, now resistance is clear up here at these false breakouts, fine, whatever floats your boat. All I'm saying is, the stock starts moving higher, it breaks through this level of resistance, it's pushing up here, and what's happening with the volume?

287

00:52:35.660 --> 00:52:42.490

Dan Fitzpatrick: We're showing a big volume here, and so what does this mean? It means institutions Finally!

288

00:52:42.710 --> 00:52:48.119

Dan Fitzpatrick: Are done accumulating the stock, Now they're just buying it. And...

289

00:52:48.120 --> 00:53:02.180

Dan Fitzpatrick: Retail traders come in, like you and me, and we see this stock as well. So, this is the way stock... this is just the way stocks trade, okay? And you have to, you know, you want to be understanding that, just so you kind of...

290

00:53:02.180 --> 00:53:10.360

Dan Fitzpatrick: Just so you have a basic idea of how bases work, and you can get shaken out a few times, but the most important thing

291

00:53:10.360 --> 00:53:25.009

Dan Fitzpatrick: is what's happening with volume, okay? So, you always, again, just want to consider risk versus rewards on breakouts. You've got to be doing that, and when is it going to be considered a failed?

292

00:53:25.080 --> 00:53:26.210

Dan Fitzpatrick: breakout.

293

00:53:26.320 --> 00:53:39.379

Dan Fitzpatrick: You look through this, and it... before... if you're not asking how much you can lose, first, ask whether the opportunity is even worth pursuing. I've already... already talked about that.

294

00:53:40.950 --> 00:53:57.749

Dan Fitzpatrick: Okay, so just a couple more here, and then I want to get to just a brief look at the market. So, entries matter so much because, again, they create an emotional cushion. If you're profitable, you have a little more mental and financial flexibility. You avoid the fear.

295

00:53:57.840 --> 00:54:05.510

Dan Fitzpatrick: And you don't have so much stress. But the market pays you for being right early. The market...

296

00:54:05.860 --> 00:54:23.040

Dan Fitzpatrick: The market doesn't pay you for guessing. Sometimes you get paid, but that's just luck, it's not the market. So, my takeaways for you are this. You want to wait for the actionable setups, you need to define your risk clearly.

297

00:54:23.040 --> 00:54:29.949

Dan Fitzpatrick: I want you to be thinking about aligning your entries with strategy. If you're not doing that, then any entry will do.

298

00:54:29.950 --> 00:54:46.350

Dan Fitzpatrick: Okay? You need to be looking at the market, you need to always be looking at potential reward first, because if there's not enough reward there to make it worth your while, then any risk is too much. And then again, you want to be tracking your performance. So.

299

00:54:46.350 --> 00:54:52.390

Dan Fitzpatrick: And this is definitely true. Most traders don't lose because they pick bad stocks.

300

00:54:52.450 --> 00:54:59.049

Dan Fitzpatrick: They lose because they entered good stocks badly, okay? So, and that's a...

301

00:54:59.850 --> 00:55:04.529

Dan Fitzpatrick: That's a total truism. So, alright, catalysts for the week.

302

00:55:05.270 --> 00:55:12.930

Dan Fitzpatrick: These are stocks that are, are likely to move, pretty big, I think, and,

303

00:55:13.650 --> 00:55:15.930

Dan Fitzpatrick: We'll look at this here.

304

00:55:18.570 --> 00:55:22.019

Dan Fitzpatrick: By the way, This is an example.

305

00:55:24.560 --> 00:55:30.299

Dan Fitzpatrick: This is an example of a proper breakout, right here. Look what's happened to the volume.

306

00:55:30.960 --> 00:55:34.659

Dan Fitzpatrick: I just saw this, I was looking at this beforehand, so I'll show you real quick.

307

00:55:35.610 --> 00:55:36.530

Dan Fitzpatrick: Okay.

308

00:55:36.580 --> 00:55:54.419

Dan Fitzpatrick: Stock's been trading on pretty low volume here, still within the, you know, within the, trading range. And then finally we get this, this big move higher on massive volume. Alright, so the stock's at 348, too late to enter this stock, right?

309

00:55:54.420 --> 00:56:03.980

Dan Fitzpatrick: Well, not so much. This was a massive institutional buying breakout. If you were really looking at this, you could have even seen

310

00:56:06.430 --> 00:56:16.119

Dan Fitzpatrick: You could have even picked it up here. You look here, the volume was ticking higher. So this is really just what we want to look for. You have to be comparing

311

00:56:16.120 --> 00:56:28.550

Dan Fitzpatrick: the price action with volume, and you think about it this way, volume is, I think I heard Kramer say this, but I think he ripped it off from Barry Ritholtz, that, price.

312

00:56:28.810 --> 00:56:53.440

Dan Fitzpatrick: Volume is truth, we'll put it that way. Price action is the story, and volume tells you whether it was a tall tale or whether it's true, okay? So, that's just another idea, example of a breakout. Now, I'll just go to these four stocks here. So, AutoZone reports. That'll be pretty volatile, but this is nothing that I want to buy, unless it's for a

313

00:56:53.440 --> 00:56:55.150

Dan Fitzpatrick: For a day trade.

314

00:56:55.150 --> 00:56:56.470

Dan Fitzpatrick: Marvell.

315

00:56:56.720 --> 00:57:05.579

Dan Fitzpatrick: They're gonna have to report some pretty strong numbers in order to move higher, okay? And I'll be looking at these more on Tuesday. CRM,

316

00:57:06.120 --> 00:57:07.449

Dan Fitzpatrick: No, thank you.

317

00:57:08.530 --> 00:57:14.750

Dan Fitzpatrick: software. This is, like, This stock is in the sweet spot for getting mugged.

318

00:57:14.780 --> 00:57:28.249

Dan Fitzpatrick: It's... CRM, people don't pay for seats anymore. Hell, they watch TV on Netflix, they don't go to the movies, so they don't pay for seats. Now, how about snow? Snow?

319

00:57:28.250 --> 00:57:42.370

Dan Fitzpatrick: is another one. I'm not gonna guess which way this goes, but I just know it's gonna go a lot. And then this last one, PDD Holdings, is also trending down. So, I'm looking at these stocks as, potential trades.

320

00:57:42.690 --> 00:57:46.129

Dan Fitzpatrick: But the only strategy that they fit...

321

00:57:46.240 --> 00:58:02.959

Dan Fitzpatrick: is a... they're setting up for good, opening rotation trades. None of these I would put on the active trade list, not with anybody's money. So, basically, right now, the market sentiment is still bullish on AI.

322

00:58:03.200 --> 00:58:12.620

Dan Fitzpatrick: Earnings beats, but then rate outlook, you know, by the way inflation's looking and the oil and all that stuff, hell, we could be getting a,

323

00:58:13.460 --> 00:58:31.610

Dan Fitzpatrick: You know, we could be getting a rate hike. I mean, conditions change, the Fed changes, and just because 6 months ago, 6 weeks ago, last year, whatever it was, everybody was clamoring for rate cuts, that doesn't mean that the Fed's just ultimately gonna cut.

324

00:58:31.850 --> 00:58:48.059

Dan Fitzpatrick: They're looking at data, and if they start raising rates, that can be a real drag on the market. I don't know whether they are or not. I have no opinion on the matter. I'm just telling you that's what could happen. Then we'll be looking at, jobless claims.

325

00:58:48.690 --> 00:59:12.579

Dan Fitzpatrick: But then also, and I'll kind of end with this, we've got a shortened week, Tuesday through Friday, so you're gonna have lower volume here. People are kind of getting ready for vacations. Now, I want to go over, go over something real quick. So, I've been holding these 59-minute trading sessions for people that have taken the 59-minute trader course. I'm expanding that.

326

00:59:12.580 --> 00:59:14.940

Dan Fitzpatrick: Frankly, due to popular demand.

327

00:59:15.340 --> 00:59:26.060

Dan Fitzpatrick: That's why. It's kind of been... I'll just be candid with you, it's been this accidental thing that Karen started getting a lot of requests, for

328

00:59:26.310 --> 00:59:37.620

STOCK MARKET MENTOR®

Dan Fitzpatrick: 59-minute trader tactics, maybe another workshop, which could be, in the works, and then just live trading sessions, and so...

329

00:59:37.640 --> 00:59:50.160

Dan Fitzpatrick: I was talking with Brent Capello, he's my Swiss Army knife, for a lot of things, trading as well as marketing and web maintenance and stuff like that. But I was talking to him, and he said.

330

00:59:50.410 --> 00:59:59.540

Dan Fitzpatrick: Why don't we just put one together, send it out to 59-minute traders, and just see what happens. So we've done that. I think we've done...

331

01:00:00.480 --> 01:00:07.750

Dan Fitzpatrick: I think about 6, maybe 7 of them, and every single one has been... Smokin' hot.

332

01:00:07.750 --> 01:00:27.409

Dan Fitzpatrick: And so I'm just pointing that out to you. If you've taken that class, or if you're gonna take it, these people are really making money, and I've just posted some of the comments here, about, Ken. Okay, made an 11% gain. All right, well, that's fine, in 15 minutes.

333

01:00:27.480 --> 01:00:38.729

Dan Fitzpatrick: Not a bad deal. And, and this was a call option, one call option. We had one guy, and I apologize, I forget his name.

334

01:00:39.270 --> 01:00:53.400

Dan Fitzpatrick: this was on... this was on this stock. Yeah, he put half of his account, he felt so confident in what he was doing, he piled into this and made, I think he said, like, 200,000 bucks, or whatever, on this.

335

01:00:55.030 --> 01:01:09.329

STOCK MARKET MENTOR

Dan Fitzpatrick: And so I'd have to say that was a success. Now, let's look at the other side of the coin, though. On Friday, it was a lower volatility market because NVIDIA didn't really do much, and everybody was looking at NVIDIA. We were, too.

336

01:01:09.330 --> 01:01:16.170

Dan Fitzpatrick: But then it didn't take but 2 or 3, maybe 5 minutes to say, alright, this thing isn't gonna move at all, so we need to move on.

337

01:01:16.170 --> 01:01:17.410

Dan Fitzpatrick: So we did...

338

01:01:18.530 --> 01:01:35.139

Dan Fitzpatrick: Looking around, rummaging around, trying to find some stocks that we could kind of hang onto and say, okay, this is the one, or these are the two or three that we're focusing on, but you stick with it long enough, and you're gonna find stuff that works, and then ultimately.

339

01:01:35.170 --> 01:01:47.410

Dan Fitzpatrick: That's what we did. And so, we've had people, and there was, one guy, this was, Sean. So, Sean and Ken have made a ton of money. Now, there was one...

340

01:01:47.540 --> 01:02:01.720

Dan Fitzpatrick: there was one gentleman who was in there, and he was really struggling. I think, ultimately, he made money, but he was really struggling, and I think... and that's... that happens. Like I said, if you haven't been doing it long enough.

341

01:02:01.720 --> 01:02:14.760

Dan Fitzpatrick: If you haven't been doing it for very long, you kind of don't deserve, to make a lot of money. But he was struggling with looking around, with us saying, oh, well, maybe this'll work, no, maybe this'll work. And so that's the downside.

342

01:02:14.920 --> 01:02:28.879

Dan Fitzpatrick: to this. That's the downside to where you don't just get to come in, and this is just trading in general, it has nothing to do with me or these trading sessions, this is just trading, where you can be looking and you say, I want something to do.

343

01:02:29.010 --> 01:02:47.899

Dan Fitzpatrick: like that line in, from The Office, if I don't get some cake pretty... if I don't get a piece of cake pretty soon, I'm gonna die. The idea is you're looking for trades, and the only ones you can find are ones that you don't want to take. That can be a real problem, but in this case.

344

01:02:48.140 --> 01:02:58.540

Dan Fitzpatrick: He's patient, we're patient, we're looking, we're looking, what... there's one. Okay, it's going. So, we... did we buy it right at the low?

345

01:02:58.690 --> 01:02:59.630

Dan Fitzpatrick: No.

346

01:02:59.630 --> 01:03:23.189

Dan Fitzpatrick: We just bought it at the low, where we bought it from, and then the thing ran higher, and it rewarded us, and so we were trading Qualcomm and a few others as well. So, I'm just pointing this stuff out to you. It's your decision whether you want to learn this type of trading or not. Again, I'm just making, making it available, if you, if you want to do that, so...

347

01:03:23.190 --> 01:03:31.639

Dan Fitzpatrick: Anyway, so these are, again, just some of the things that people have said. They're intended

348

01:03:32.040 --> 01:03:50.020

STOCK MARKET[®] MENTOR

Dan Fitzpatrick: I mean, I say it every time, my intent is for you, ultimately, like, right out of the get-go, to pay the... to pay for the price of admission, so at least you're playing with the house's money now. So, anyway, hope you will join us on one of those things, and if you don't.

349

01:03:50.490 --> 01:04:03.749

Dan Fitzpatrick: that's okay, too, alright? So, thanks for sticking around here. This has been a little bit longer than I had anticipated, but that's kind of the nature of these weekend sessions. I want to be conveying more...

350

01:04:04.800 --> 01:04:16.059

Dan Fitzpatrick: I guess kind of more trading knowledge, more trading experience, as opposed to saying, okay, Western Digital's on a pullback here, so buy a little bit more and keep a tight stop.

351

01:04:16.060 --> 01:04:25.520

Dan Fitzpatrick: I mean, we do that every day. And I will be sending out, like, kind of shorter videos during the week, rather than only having you wait for

352

01:04:25.990 --> 01:04:39.179

Dan Fitzpatrick: like, an end-of-day strategy session, just a little quick hit, to give you something that I think is interesting or important to give you. So, okay, that's all I got for you. You guys have a great weekend.