

Chart of the Day

Here's Monday's trade on \$AVGO.

May 29 2026

Dan Fitzpatrick breaks down an institutional accumulation cycle forming in **Broadcom (\$AVGO)**. Dan Fitzpatrick breaks down how the asset successfully validated a critical trendline breakout on expanding volume, clearing its prior multi-week sideways consolidation. While the broader street largely ignored early bullish partnership headlines on Wednesday, aggressive volume skyscrapers flooded the tape into Friday's close, executing a massive structural ramp where 3 million shares traded in the final 5 minutes alone. Dan Fitzpatrick emphasizes that this dynamic end-of-day print is a profound institutional tell rather than a retail phenomenon; big block desks patiently acquired low-cost shares beneath the Volume-Weighted Average Price (VWAP) all afternoon before lifting their offers into the weekend. With Marvell's recent overextended post-earnings "gap-and-crap" acting as a clear structural case study, the speaker outlines an asymmetric strategy to trade Broadcom's run into its binary June 3rd earnings catalyst.

Next Steps:

1. Set a Hard Breakout Trigger: Place a structural price alert exactly at \$448.95 to capture immediate follow-through momentum.
2. Confirm Pre-Market VWAP Support: Before entering long positions on Monday morning, ensure the spot price holds firmly above its dynamic intraday VWAP floor.
3. Manage the Position Size for Earnings Risk: If you deploy fresh capital into this pre-earnings run, ensure your share sizing is properly scaled down to protect your capital from a potential post-earnings binary flush.
4. Structure Options Strategies Using R-Multiples: Instead of chasing high-premium directional calls, structure defined-risk vertical spreads that minimize capital at risk while targeting an outsized 3R or 4R return relative to your stop.
5. Define the Absolute Invalidation Line: Place a defensive protective stop-loss just underneath the immediate five-minute consolidation low at \$440.00 to contain capital risk.

Transcript:

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00:00:01.820 --> 00:00:17.319

Dan Fitzpatrick: Yeah, yeah, hey there, Dan Fitzpatrick here, StockMarketMentor.com, and let's look at, Broadcom here. Avago, A-V-G-O. Now, this is pretty interesting. You can see the big breakout here. They actually had some news

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00:00:17.320 --> 00:00:35.700

Dan Fitzpatrick: on, Wednesday about some partnerships and various other things that were actually pretty bullish. Frankly, I missed those. So did the market. Just kind of sitting, farting around here. And then, the next day, that was Thursday, yesterday. We got a little bit of move, but look at the volume.

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00:00:37.320 --> 00:00:49.569

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Dan Fitzpatrick: Like, this was all kind of average volume. This was a little bit above here, but I'm not gonna split hairs on that. You can look at... you can try to find frickin' meaning in every little tick on the chart.

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00:00:49.570 --> 00:01:10.239

Dan Fitzpatrick: And all it does is impress people who don't know very much, and who don't know enough not to be impressed. Bottom line is, this thing is just wiggling, jiggling. But then today, we get this big breakout, like, this had been a trend line that I had drawn just yesterday, because I wanted to know when this stock was going to break out, and it did today.

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00:01:10.240 --> 00:01:18.179

Dan Fitzpatrick: But this is what's interesting, a couple things. First of all, they report next week, I think that's Wednesday, yeah, on June 3rd.

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00:01:18.750 --> 00:01:21.209

Dan Fitzpatrick: So, the question is.

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00:01:21.210 --> 00:01:44.349

Dan Fitzpatrick: Is this stock actually now anticipating a great number to a point where a good number would just kind of cause maybe a gap in crap or something like that? In other words, is the market now starting to, after a period of consolidation here, is the market starting to price in a really good number so that it's like nothing that they could do?

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00:01:44.590 --> 00:01:45.470

Dan Fitzpatrick: would...

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00:01:45.740 --> 00:02:05.430

Dan Fitzpatrick: surprise the market to a point where they decide they're gonna keep going. I mean, we saw that, like, with NVIDIA, which this stock... they reported great numbers, but the stock really didn't do anything, and now it's down lower. So, this is a little bit different setup, but this is what I found interesting.

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00:02:05.430 --> 00:02:08.709

Dan Fitzpatrick: If you look at the intraday chart here.

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00:02:08.889 --> 00:02:22.569

Dan Fitzpatrick: Let me change this to market to data for regular hours only. Okay, daily, 30 minute, 15 minute, 1 minute, forget that. Let's go 5 minutes. Okay, you can see...

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00:02:23.220 --> 00:02:34.329

Dan Fitzpatrick: First thing in the morning, this thing jumped out, okay? And I remember looking at it, and frankly, it kind of looked like a false breakout. It pulled back here.

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00:02:34.330 --> 00:02:49.379

Dan Fitzpatrick: quite a bit, almost 3% from the high, like, down around 440, right? And so, if you look at where 440 was on the chart, it was, like, right about here. So, when this stock pops up, and then it comes back down.

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00:02:49.590 --> 00:03:14.550

Dan Fitzpatrick: I'll be honest with you, I thought, okay, well, let's see what happens on Monday, because this could be a really nice trade into earnings. So, apparently, everybody else thought that way, too. Definitely in the afternoon after 1, it's almost like a sell program came in or something. If we look at the queues, you can kind of see a similar move down, so everything was kind of trading

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00:03:14.550 --> 00:03:20.559

Dan Fitzpatrick: down in tech land. But then this thing had a volatility squeeze. Again, this is a 5-minute chart.

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00:03:20.560 --> 00:03:35.059

Dan Fitzpatrick: But it had a volatility squeeze below the volume-weighted average price, which this had traded down below. You only really want to be long a stock if it's back above the VWAP. So, it started to tick up. Volume...

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00:03:35.140 --> 00:03:41.390

Dan Fitzpatrick: also started to tick up. But then, like, look what happened right at the end of the day.

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00:03:41.420 --> 00:03:59.970

Dan Fitzpatrick: right into the close. That's 3.55, and then 4 o'clock here. Look at the massive volume here. I mean, this... it really, really surprised me, frankly. The way it traded here. Here's the 15-minute chart, 30-minute chart shows it, a little bit...

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00:04:01.170 --> 00:04:19.490

Dan Fitzpatrick: A little bit differently, but you can see the whole thing. Like, it just really traded down in the middle of the day, and you would have thought, at least I would have thought, that it really wouldn't do anything. Now, options expired today, so that's always a big mover on something like this, because it's got weekly options.

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00:04:19.540 --> 00:04:22.270

Dan Fitzpatrick: But this is the way I look at it.

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00:04:22.570 --> 00:04:26.030

Dan Fitzpatrick: We always want to know what institutions are doing.

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00:04:26.340 --> 00:04:33.010

Dan Fitzpatrick: And because we want to... we don't want to follow those institutions, we want to be riding along with them.

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00:04:33.010 --> 00:04:56.540

Dan Fitzpatrick: And what I mean by that is, I want to buy the damn thing, and then let the institutions keep buying it and make me money. I don't want to keep buying it along with them. I want to hop on board, and then, you know, let them turn the wheels, or paddle, or whatever you want to call it, if you're driving or on a boat or a plane. I just want to be a passenger, but I gotta get on there. And so the question is.

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00:04:56.740 --> 00:05:21.400

Dan Fitzpatrick: when will... when will we know, like, on an intraday basis, when will we know if this swoon, because pretty much every stock drifts sideways in the middle of the day. That's just when the algorithms kind of take over and they don't do much. But you want to know, are the institutions buying or selling all day? And so, if you look at just the way this thing trades along the volume-weighted average

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00:05:21.400 --> 00:05:22.240

Dan Fitzpatrick: price.

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00:05:23.250 --> 00:05:41.809

Dan Fitzpatrick: I would have to conclude that they're selling, especially when you see this. You say, okay, well, institutions, I guess they've done all their buying here. They've got big orders to fill, but maybe they've done all their buying here, and they're not gonna do anything else. Or, maybe this was kind of a retail

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00:05:41.810 --> 00:05:53.200

Dan Fitzpatrick: type of buying, and now the institutions have come in, and now they're starting to sell. But what you need to understand is, on big stocks like this.

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00:05:53.210 --> 00:06:15.119

Dan Fitzpatrick: the trading desks, the big institutional desks, they have orders to fill, either buy or sell, and they've got all day, or all week, whatever it is. They've got all day or all week to fill those orders. The person or fund ordering it, maybe it's an insurance company, a pension fund, just a dude with a lot of wealth.

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00:06:15.120 --> 00:06:17.170

Dan Fitzpatrick: Whatever hedge fund.

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00:06:17.180 --> 00:06:37.680

Dan Fitzpatrick: They don't care what your cost basis is at \$12.59 in the afternoon. They could give a rip. All they care about is you getting back to them at the end of the day, or at the end of the week. I mean, it used to be in a phone call, now it's like you turn on your computer monitor, but they want to know at the end of the period where the order's supposed to be filled.

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00:06:37.860 --> 00:06:40.860

Dan Fitzpatrick: What was the average price that you filled?

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00:06:41.270 --> 00:06:42.950

Dan Fitzpatrick: the... the order.

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00:06:42.990 --> 00:06:56.129

Dan Fitzpatrick: Like, was it a low price? Was it a high price? Don't tell me that you got filled, like, right at the top of the range. Don't tell me that. And so, what you'll often find is

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00:06:56.130 --> 00:07:04.019

Dan Fitzpatrick: Traders... again, a lot of it's algorithmic, but it's just because that's kind of how orders are filled these days.

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00:07:04.240 --> 00:07:05.970

Dan Fitzpatrick: What will happen is...

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00:07:06.020 --> 00:07:24.720

Dan Fitzpatrick: Traders will have a big order to fill, and in this case, you say, like, oh, okay, well, they're... they're buying the stock, they're... they're cleaning up, a buy order. We don't know that for sure. But see, what happens is, as the stock drifts sideways, these traders...

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00:07:26.250 --> 00:07:41.690

Dan Fitzpatrick: pulls back to the VWAP, and they're buying gently. Not a lot, but they're gradually filling their order. They get a low cost basis, they're even filling it down here, the stock isn't cratering or anything, it's just kind of...

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00:07:41.690 --> 00:07:52.770

Dan Fitzpatrick: gradually moving lower in the afternoon. They're filling their orders a little bit. Meanwhile, we don't know whether they're buying or selling, we don't know what's going on, we just see.

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00:07:53.860 --> 00:08:11.710

Dan Fitzpatrick: we just see this, like, okay, well, this thing looks like it's out of gas. Meanwhile, the people that are filling these orders, it's getting to be around 3, and they're looking at their clock, they're looking at the order and saying, you know what?

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00:08:12.360 --> 00:08:31.579

Dan Fitzpatrick: We got a pretty low-cost basis in this, all the way down here. We've got just 10% of the order, left to fill. Screw it, let's do it. Let's just buy the stinkin' thing so we can get on with our weekend. Because if you're only filling, like, 10% of the order.

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00:08:31.810 --> 00:08:55.319

Dan Fitzpatrick: That's not gonna, even if it's at a higher price, you know, it's not gonna raise the average, the cost basis of the stock that you're buying, because it's only 10%, you're buying it for, you know, you're buying it for a little bit higher price. But you don't care, you gotta get the thing done. And so, that's what we see happening here. So, it's... we just move, and then bam.

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00:08:55.320 --> 00:08:59.150

Dan Fitzpatrick: Right here at the end. So, how do we... how do we play that?

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00:08:59.360 --> 00:09:05.539

Dan Fitzpatrick: I didn't see... I saw it towards the end of the day, and grabbed some call options, actually, but...

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00:09:05.950 --> 00:09:23.649

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Dan Fitzpatrick: the way, at least the way I look at it is, okay, here's a 15-minute chart. I see how this traded down, it squirted up right at the end of the day. Institutions don't day trade. This is a tip-off that there's a lot of institutional buying.

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00:09:23.850 --> 00:09:27.539

Dan Fitzpatrick: of this stock. I mean, 5 million shares traded.

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00:09:27.630 --> 00:09:46.910

Dan Fitzpatrick: during the last 15 minutes of the trading day. That's kind of a lot, alright? 3 million shares traded during the last 5 minutes, so this is a big, massive tell, in my view anyway, of what's likely to happen on Monday, of what's likely to happen

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00:09:46.910 --> 00:10:00.179

Dan Fitzpatrick: Next week, as this runs into earnings. My bet is that you're gonna see more buyers coming for this stock, and it will continue to run at least for a couple days. Now.

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00:10:00.180 --> 00:10:24.900

Dan Fitzpatrick: It may kind of wiggle and jiggle here a little bit, but I think that that type of movement would just be kind of trying to shake the trees. Shake the leaves, see if you get anything that falls. In other words, get the weak hands to sell. But I think there's going to continue to be more buying into the first part of the week. I have no clue what the market's reaction to earnings will be, and if you know somebody who says that they do know what

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00:10:24.900 --> 00:10:42.339

Dan Fitzpatrick: what it's gonna be, you need to laugh at their face and call them idiots, because they are. Or liars, or probably both. Nobody really knows. But if this stock... I'll even give you a price level. The high here was \$448.90. So, let's do this.

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00:10:47.040 --> 00:10:51.670

Dan Fitzpatrick: 448.95, I'll make that a green one. Okay?

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00:10:52.030 --> 00:10:54.960

Dan Fitzpatrick: So... That's my trigger.

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00:10:55.310 --> 00:11:01.219

Dan Fitzpatrick: You always want to have a trigger, like, what am I trying to do here? If this stock runs above

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00:11:01.350 --> 00:11:12.340

Dan Fitzpatrick: today's intraday high, \$448.90, and this thing closed really, really close to that. If it runs above there, then I think this is gonna be a continued breakout.

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00:11:12.340 --> 00:11:36.339

Dan Fitzpatrick: And I think my call options are gonna do pretty well. So, anyway, that's all I got for you. Look, if you're not a member of Stock Market Mentor, we've got a lot of good things going over there. I invite you to join. Like, it's 14 bucks, excuse me, it's only \$7 for 14 days. We've got a lot of trades going on, and what we do is we focus on our multiples. In other words, it's not what your percent gain is.

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00:11:36.340 --> 00:11:45.049

Dan Fitzpatrick: It's what you're making for every dollar that you're risking. So we focus on risk, so you risk a little bit of money.

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00:11:45.280 --> 00:12:00.339

Dan Fitzpatrick: And make a lot relative to the risk. That's the way professionals trade, that's the way we trade, and that's the way I want you to trade. Okay? So, that's all I got for you, and I will see you next time.