

Chart of the Day

Small caps are close to breaking out! \$IWM

June 4, 2026

Scott McGregor highlights a high-conviction breakout setup rapidly developing within the small-cap equities space. Scott McGregor notes that the **iShares Russell 2000 Index ETF (\$IWM)** successfully navigated a healthy technical pullback to its dynamic 8-day exponential period moving average before opening completely flat and attracting an aggressive wave of institutional buying. This session-long demand drove the small-cap benchmark directly back up to compressed overhead resistance sitting just under the critical 293 psychological ceiling. To capture the next macro extension phase of this clean uptrend, an asymmetric execution strategy is outlined to track a high-volume resolution past key horizontal pivot points, offering a secondary high-beta alternative for retail accounts looking to maximize their technical returns.

Next Steps:

1. Deploy the Symmetrical IWM Breakout Filter: Establish a strategic price alert immediately at the 293 horizontal parameter to capture the definitive thrust out of consolidation.
2. Stalk the Small-Cap Leveraged Pivot Ceiling: For active traders using a leveraged vehicle, monitor the Direxion 3x Small Cap Bull ETF (\$TNA) for a high-volume breakthrough past its explicit 70.40 pivot ceiling.
3. Verify the Institutional Volume Skyscraper: Prior to sizing into any fresh long exposure, ensure the intra-day expansion above the resistance ceilings is validated by heavier-than-average volume.
4. Map out the Absolute Risk Invalidation Floor: Secure your capital baseline by anchoring your hard protective stop-loss directly at the dynamic 8-day exponential moving average ribbon.

Transcript:

[0:00] Hey everyone, good evening. It's Scott

[0:02] at scottcottrades onx with

[0:04] stockmarketmentor.com

[0:06] and your chart of the day. Want to take

[0:08] a look at IWM. This of course is the

[0:10] iShares Russell 2000 index and the small

[0:13] caps are close to a breakout. We did

[0:16] pull back to the 8day exponential period

[0:18] moving average yesterday. had a flat

[0:21] open today and the buyers showed up in

[0:24] the small caps and brought the index

[0:27] close to its recent highs just under

[0:30] 293. And so I'm certainly going to be

[0:33] watching IWM for a potential break

[0:36] higher tomorrow

[0:38] and potentially a breakout. Now, if you

[0:41] are trading this, you can of course buy

[0:43] IWM, but if you have a smaller account,

[0:46] you might want to try TNA.

[0:48] It's a little more fun. It has a little

[0:51] more leverage. And again, same kind of

[0:53] setup in an uptrend above all the key

[0:55] moving averages and a pretty clear pivot

[0:57] right around 7040.

[1:00] And so look for a move through and a

[1:02] close above that level coming on volume

[1:04] here on TNA and the same level on IWM.

[1:08] And there's your trade for the small

[1:10] caps from stockarketmentor.com.

[1:12] I hope that video is helpful. My name is

[1:14] Scott McGregor at [scotttrades onx](mailto:scotttrades@onx.com). I'll

[1:17] see you next time.