STOCK MARKET MENTOR

Chart of the Day

A taste of Cyber Security Stocks. Let's look at Cloudflare ($NET)

August 8, 2026

Dan Fitzpatrick highlights the growing convergence of artificial intelligence and cybersecurity, urging traders to look beyond data storage and nuclear power plays to focus on outperforming security charts. Dan Fitzpatrick analyzes Palo Alto Networks, pointing out its strong upward trend, 14%–15% trading range consolidation, and the way price is walking along the upper Bollinger Band on the weekly chart toward a projected $450 target. Turning to Cloudflare, Dan Fitzpatrick breaks down its post-earnings gap fill, establishing a $400 long-term target while demonstrating how waiting for a stock to consolidate near its 50-day moving average serves as an essential risk management tool. Ultimately, Dan Fitzpatrick emphasizes that maintaining patience and holding cash during sideways consolidation prevents unnecessary capital risk and allows traders to deploy money into more actionable opportunities.

Next Steps:

1. Monitor Palo Alto Networks ($PANW) Resistance: Watch for price continuation along the upper weekly Bollinger Band as the stock consolidates toward a $450 technical target ahead of its upcoming earnings report.
2. Track Cloudflare ($NET) Support at the 50-Day SMA: Stalk Cloudflare for a low-risk entry opportunity as the 50-day moving average catches up to price during its sideways post-earnings consolidation, eyeing a $400 target.
3. Preserve Cash During Sideways Consolidation: Refrain from buying equities trading far above their 50-day moving averages; keep cash ready to deploy into higher-conviction setups.
4. Execute Strict Exit and Entry Discipline: Use patient entry timing near moving average support as the primary line of risk management before entering new positions.
5. Join Stock Market Mentor: Non-members can sign up for a 14-day trial for $7 at StockMarketMentor.com to access full premium strategy sessions and chart analysis.

Transcript:

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00:00:01.670 --> 00:00:10.360

Dan Fitzpatrick: Okay, Dan here, StockMarketMentor.com, and it's Saturday. Now, in this video, I'm gonna show you one stock

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00:00:10.480 --> 00:00:20.550

Dan Fitzpatrick: that, that I was looking at for our members, and it was part of this presentation that I did about AI and cybersecurity.

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00:00:20.550 --> 00:00:33.270

Dan Fitzpatrick: Everybody's talking about AI and the memory data storage and the, you know, all the… well, we need nuclear reactors to cool things down and all that other stuff.

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00:00:33.270 --> 00:00:56.549

Dan Fitzpatrick: But there's another… and that's really critically important and stuff, but there's a lot more to it, than that, and that really has to do with cybersecurity, which has been getting a lot of play, lately, too. Certainly, the charts are looking good, and you're seeing more, more articles written about it and things like that, and that includes, me. So, I just finished a video.

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00:00:56.550 --> 00:01:01.540

Dan Fitzpatrick: explaining this whole thing. But, for our non…

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00:01:01.710 --> 00:01:18.019

Dan Fitzpatrick: John Fischer, premium members, I wanted to give you kind of a flavor of what's going on as well, so let's just look at this, we'll look at a couple, you know, a couple stocks, a couple stocks here. Let me make sure I continue to share my screen.

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00:01:18.170 --> 00:01:19.200

Dan Fitzpatrick: All right.

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00:01:19.660 --> 00:01:28.200

Dan Fitzpatrick: Okay, so we've got Palo Alto. Just looking at the chart here. This is in a really, really strong uptrend.

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00:01:28.550 --> 00:01:43.189

Dan Fitzpatrick: This is the trading range, and it's pretty substantial. You know, it's 14-15%, but you can see the trend is pretty clear. This is consolidating after a big, huge move. The weekly chart

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00:01:43.240 --> 00:02:00.000

Dan Fitzpatrick: Really, in this time frame here, if you think about this, this is the 10-week or the 50-day moving average, you can see the stock just walking along the upper Bollinger Band. Guys. This stock's gonna continue to run. Maybe not tomorrow.

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00:02:00.170 --> 00:02:11.680

Dan Fitzpatrick: They report earnings in a month, less than a month, but you're gonna see… I'll put it this way. I got a feeling the stock's gonna hit, like, 450 before it would hit 300.

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00:02:11.700 --> 00:02:29.489

Dan Fitzpatrick: We'll just put it that way. And so, this is a really good stock to be looking at. Cloudflare, different part of this space, but it's given us the same sense here. Again, weekly chart. My target on this is $400 by the end of the year, give or take.

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00:02:29.650 --> 00:02:51.539

Dan Fitzpatrick: I'll put it this way, if it ain't the end of the year, it's gonna be sometime soon. I mean, it'll be soon after the end of the year. So these are two stocks that I think are really, really worth checking out. Cloudflare has already reported earnings, and you could see what happened. The stock gapped up big time, but then, as has happened with a lot of stocks lately.

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00:02:51.540 --> 00:02:58.320

Dan Fitzpatrick: these big gaps up, they don't hold and continue to run. Now here, stock's still up 6%.

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00:02:58.320 --> 00:03:03.720

Dan Fitzpatrick: So, I'd say this gap did hold, or I should say, the move held.

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00:03:04.020 --> 00:03:09.470

Dan Fitzpatrick: But not the gap. I mean, the stock came right back down and essentially closed.

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00:03:09.770 --> 00:03:12.490

Dan Fitzpatrick: Not essentially. Definitely.

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00:03:13.600 --> 00:03:15.180

Dan Fitzpatrick: Closed this gap.

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00:03:15.450 --> 00:03:17.490

Dan Fitzpatrick: So this has closed the gap.

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00:03:17.490 --> 00:03:37.149

Dan Fitzpatrick: on post-earnings, but it's still up quite a bit. You want to watch this. Hopefully in the next few days, maybe the next week or so, the stock will just drift sideways, which gives the trend line, it gives the 50-day moving average more time to kind of catch up and give you a relatively low entry.

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00:03:37.150 --> 00:03:38.530

Dan Fitzpatrick: Even if…

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00:03:38.540 --> 00:03:51.159

Dan Fitzpatrick: the entry is the same, even if it's at the same price. I mean, if I'm saying, like, okay, well, I want to buy the stock at the 50-day moving average, alright, today.

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00:03:51.540 --> 00:04:04.040

Dan Fitzpatrick: is not the time for me to buy it, okay? I want to buy it at the 50-day moving average. Now, if the stock falls down here, hey man, that's my ticket, I'm in. But if the stock just drifts around.

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00:04:04.710 --> 00:04:08.030

Dan Fitzpatrick: And the 50-day continues to move higher.

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00:04:08.300 --> 00:04:25.440

Dan Fitzpatrick: Alright, and I'm sticking to my guns, I want to buy it closer to the 50-day moving average. Well, you're not going to be buying it until the… if it just stays flat, you're not going to be buying it until mid-September. Okay, well, is that a problem? No, it's a solution.

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00:04:25.600 --> 00:04:43.509

Dan Fitzpatrick: Because I don't want to own a stock that is… unless it's a longer-term investment or something, then you can't help it, but I don't want to own a stock that's just drifting sideways. Because I would rather have that cash, because maybe I'll see something else that's more enticing. Maybe I won't.

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00:04:43.550 --> 00:04:48.089

Dan Fitzpatrick: But when my cash is in a stock that is not moving anywhere.

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00:04:48.170 --> 00:04:58.209

Dan Fitzpatrick: Well, then I have a risk of loss. Stock could pull back. Whereas, if I wasn't in the stock because it didn't have my preferred entry.

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00:04:58.330 --> 00:05:14.070

Dan Fitzpatrick: then I'm not at risk of losing money. I'm at risk of missing out on profit if the stock starts to move higher. Well, guess what? That's a different strategy, and I can come in and buy the stock. So, being patient and waiting for the best entries.

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00:05:14.160 --> 00:05:18.399

Dan Fitzpatrick: Is your best approach to risk management.

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00:05:18.430 --> 00:05:42.639

Dan Fitzpatrick: in any given trade. It's not the only thing, you gotta watch the exit, and by the way, members, I'm talking about that, too, as well. So, one thing I want to mention, and then I'll let you go. If you're not a member of Stock Market Mentor, guys, give it a try. We've got a lot of members coming in these days, and there's a reason for that. I want you to be one of them. I promise you this, for a $7

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00:05:43.000 --> 00:05:44.120

Dan Fitzpatrick: Access.

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00:05:44.630 --> 00:05:46.359

Dan Fitzpatrick: For 14 days.

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00:05:46.820 --> 00:05:59.239

Dan Fitzpatrick: If you can't become a better trader in 14 days for 7 bucks, then one of two things has happened. Either you're not doing your job, which I can't do anything about, or

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00:05:59.390 --> 00:06:11.470

Dan Fitzpatrick: I'm not doing my job, and I guarantee you, I'm working really hard to do my job, so I want you part of the team, alright? Okay, guys, I will, see you next time.