STOCK MARKET MENTOR®

Chart of the Day

Let's look at how institutions are trading during the day by comparing VWAP action

August 27, 2026

Dan Fitzpatrick breaks down intraday volume-weighted average price (VWAP) analysis to help traders navigate high-volatility earnings days without succumbing to emotional FOMO. Using an analogy of dogs fighting over meat, Dan Fitzpatrick describes how traders often get caught up in the chaotic energy of market opens, making impulsive decisions they later regret. To avoid this trap, Dan Fitzpatrick introduces a multi-timeframe analysis framework incorporating VWAP—the average price of all shares traded during the day—to determine whether institutional buyers are truly supporting a stock. Contrasting earnings-driven movers like CrowdStrike ($CRWD), Okta ($OKTA), Salesforce ($CRM), and NVIDIA ($NVDA) (which consistently held above VWAP, signaling strong institutional accumulation) with Micron ($MU) (which failed to hold VWAP after its opening pop), Dan Fitzpatrick shows how tracking VWAP allows traders to differentiate between real institutional buying and false breakouts.

Next Steps:

1. Apply VWAP Analysis on Active Earnings Days: Use VWAP across multi-timeframe charts (1-minute, 5-minute, and 15-minute) to evaluate whether institutional buying is holding price action above the session's volume-weighted average.
2. Avoid Chasing Opening Bell Action: Wait 15 to 30 minutes after the opening bell before initiating entries, allowing price action relative to VWAP to reveal whether true institutional sponsorship is present.
3. Exit Failed Breakouts Promptly: Follow automated exit parameters (such as closing out credit spreads or profit targets when price fails to hold VWAP support, as demonstrated with $MU).
4. Explore Stock Market Mentor Resources: Non-members can sign up for a 14-day trial for $7 at StockMarketMentor.com to access active trade lists, nightly video strategy sessions, and real-time alert coverage alongside Dan Fitzpatrick and Scott McGregor.

Transcript:

1

00:00:01.900 --> 00:00:25.530

Dan Fitzpatrick: Alright, hey, today I want to talk about, I want to show you a couple things about the volume-weighted average price, which is really, really helpful to look at if you're trying to figure out, like, on an active day, today, where stocks like NVIDIA, companies like NVIDIA, Okta, CrowdStrike, Salesforce, they reported earnings, and they're kind of jumping all over the place.

2

00:00:25.530 --> 00:00:29.930

Dan Fitzpatrick: That tends to be… That tends to be a time.

3

00:00:30.180 --> 00:00:42.520

Dan Fitzpatrick: when, traders, when you can get kind of sucked in, you get sucked into the action. So I… the analogy that I use is you take, like, a big

4

00:00:42.710 --> 00:00:59.879

Dan Fitzpatrick: pack of dogs, like, let's say down at your local doggy daycare center, where they're all roaming around, in the middle. And then you throw in a piece of meat, or something, and a couple of them start fighting over it. The rest of them are just kind of looking around.

5

00:01:00.060 --> 00:01:18.950

Dan Fitzpatrick: what the heck's going on? Somebody else starts in, and then somebody else, and pretty soon you got all the dogs that are fighting each other. They don't even know why they're fighting, the meat's gone. But what's happening is they get kind of caught up in the energy. And so, it's really easy for

6

00:01:18.950 --> 00:01:29.429

Dan Fitzpatrick: us, it's easy for traders to start feeding that as well, and the market opens up, ding, ding, ding. You see…

7

00:01:29.430 --> 00:01:48.320

Dan Fitzpatrick: these stocks start to trade, and they're all moving around so fast that you just feel like, my God, you know, I'm missing out. I gotta do something, right? I know that you think this. I know you feel this. I know you do. You know you do, too. So, there are ways

8

00:01:48.320 --> 00:02:05.950

Dan Fitzpatrick: that you can kind of gather yourself and avoid, doing stuff that later you scratch your head or you kick yourself and go, like, I don't even know why I did that, dammit. I do that every time. What was I thinking? So I'm going to show you just a real simple way

9

00:02:06.580 --> 00:02:17.439

Dan Fitzpatrick: to stay out of that, morass. So we're gonna get to that, but first, I just want to mention, if you are not a member of Stock Market Mentor, $7,

10

00:02:17.790 --> 00:02:41.210

Dan Fitzpatrick: I gotta charge you something. $7 for a 14-day, look, definitely check it out. I do some pretty extensive videos, along with my sidekick, Scott McGregor, Scott's Trading Desk. We put out trading videos every day. I also keep an active trade list, that gives you your entries, your exits, where your stops are.

11

00:02:41.210 --> 00:02:50.570

Dan Fitzpatrick: The whole bit, and it's all just designed to help you become a better trader, so you can do this stuff by yourself, so you're not gonna get to need me. But in the meantime.

12

00:02:50.690 --> 00:02:58.089

Dan Fitzpatrick: I think you do need me, so let's get to work, alright? I'm gonna show you what I just told you I was gonna show you. So…

13

00:02:58.140 --> 00:03:11.570

Dan Fitzpatrick: With CrowdStrike, for example. So, they reported earnings, the stock pops up, ultimately closes up over 20%. So, this thing pops up in the morning.

14

00:03:11.890 --> 00:03:26.530

Dan Fitzpatrick: You go like, oh crap, do I buy it or not? It opened right at the 20-day moving average, that's right in here, it opened right at the 20-day moving average, and so then the question is, is this breakout gonna hold?

15

00:03:26.580 --> 00:03:41.649

Dan Fitzpatrick: This is what you do. I just have this four-window, multi-time frame analysis, and I'll change these all around. The one thing that typically doesn't change is up here. This is, my daily chart, just to kind of keep

16

00:03:42.410 --> 00:03:49.610

Dan Fitzpatrick: Just to kind of keep a good frame of reference, maybe sometimes I'll put it down to an hourly chart.

17

00:03:49.730 --> 00:03:50.540

Dan Fitzpatrick: But…

18

00:03:50.770 --> 00:04:02.439

Dan Fitzpatrick: That's what other charts are for. So I just like to kind of see where this is, and then first thing in the morning, I'll do, like, a one-minute chart. Let me just put the regular time. There.

19

00:04:02.490 --> 00:04:19.510

Dan Fitzpatrick: first thing in the morning, like, I'll do a 1-minute chart, and then a 5-minute, and then a 15, or something like that. And then as the stock trades, I will start zooming out. Instead of a 1-minute chart, I mean, by

20

00:04:19.860 --> 00:04:21.730

Dan Fitzpatrick: Half an hour into the day.

21

00:04:21.860 --> 00:04:35.450

Dan Fitzpatrick: even 15 or 20 minutes into the day, do I really care what the stock's doing from one minute to the next? Answer, no. So, you just kind of keep zooming out to get a better frame of reference, but the one thing that

22

00:04:35.450 --> 00:04:51.179

Dan Fitzpatrick: that you can see here, this orange line here, this is the volume-weighted average price, and that is, it's the average price of all shares traded, of all shares traded, that day, today. This is where, you know, at

23

00:04:51.850 --> 00:05:09.469

Dan Fitzpatrick: what, at, at 10 o'clock, the VWAP is $215.95, meaning that of all the shares that have traded so far today, half an hour in, the average price is $215.95. So what you need to know is that

24

00:05:09.470 --> 00:05:32.979

Dan Fitzpatrick: institutions, if they're buying the stock, most of this stuff is done by algorithms. They don't have, you know, Vinny and Saul there, at the… at their trade desks. Remember Billions? They showed the… what was it, the guy Dollar Bill, or whatever, sitting there at his desk trading. That crap doesn't happen anymore. That was a TV show. This is all machines here.

25

00:05:32.980 --> 00:05:46.599

Dan Fitzpatrick: And so, but machines are carrying out the orders of individuals. So, what this is telling us is, there's buying going on in this stock. The institutions are buying this stock.

26

00:05:46.740 --> 00:06:05.769

Dan Fitzpatrick: irrespective of the big move higher. So this is one, and of course, the big money was made right off the bat, but it still runs during the day, it would have been fine. But I'm not talking about intraday trading, I'm talking about intraday analysis here. So when you see this stock.

27

00:06:06.250 --> 00:06:18.700

Dan Fitzpatrick: above the volume-weighted average price consistently, that tells you that institutions are buying. Now, let's look at Micron, for example. Micron popped up.

28

00:06:18.960 --> 00:06:25.359

Dan Fitzpatrick: Right at the open, hit the 50-day moving average, and then drifted lower.

29

00:06:25.920 --> 00:06:31.119

Dan Fitzpatrick: Okay, right… right from the get-go, we'll even look down at the one-minute chart.

30

00:06:37.740 --> 00:06:40.350

Dan Fitzpatrick: Okay, so this stock popped up.

31

00:06:40.750 --> 00:06:59.160

Dan Fitzpatrick: And then immediately started trading down. Two minutes in, the stock was down below the average, the volume-weighted average price, which, think about the math equation, of course it is, if the stock started trading up here. But it didn't recover. So the stock keeps falling.

32

00:06:59.950 --> 00:07:00.860

Dan Fitzpatrick: And…

33

00:07:01.240 --> 00:07:13.230

Dan Fitzpatrick: The VWAP does too. And so this tells you right off the bat, like, this is 15 minutes in, institutions are not buying this stock. They're not.

34

00:07:13.360 --> 00:07:25.580

Dan Fitzpatrick: And so, you get a big pop. That's when, that's when we closed out, by the way, our bull put spread for a 50% profit. Good till canceled order. Boom! Thank you very much.

35

00:07:25.860 --> 00:07:43.369

Dan Fitzpatrick: Let's move on to the next trade. Meanwhile, those that bought the open here are sitting here, and they're riding this puppy all the way down, all day long. And so, what I'm suggesting to you is that when you are… when you are trading.

36

00:07:43.750 --> 00:07:49.239

Dan Fitzpatrick: Here, we'll do it this way. Okay, this is a 15-minute chart. When you are trading.

37

00:07:49.380 --> 00:07:52.510

Dan Fitzpatrick: Be mindful of what the VWAP is doing.

38

00:07:52.920 --> 00:07:53.770

Dan Fitzpatrick: Here.

39

00:07:54.450 --> 00:07:59.980

Dan Fitzpatrick: This is the orange line here. Okta. Institutions are buying this. All day.

40

00:08:01.120 --> 00:08:09.339

Dan Fitzpatrick: Salesforce. Institutions are buying it all day. CrowdStrike. Institutions are buying it all day.

41

00:08:09.450 --> 00:08:10.700

Dan Fitzpatrick: NVIDIA.

42

00:08:12.650 --> 00:08:15.010

Dan Fitzpatrick: Institutions are buying it.

43

00:08:16.040 --> 00:08:24.960

Dan Fitzpatrick: But then right about here, they got kind of tired. And… but the stock's back down here, so guess what? Institutions are buying it.

44

00:08:24.960 --> 00:08:30.220

Dan Fitzpatrick: These are the types of little tricks, that you need to have under your tool belt.

45

00:08:30.220 --> 00:08:52.689

Dan Fitzpatrick: so that you're able to make sense out of the intraday volatility. So, anyway, I just wanted to pass that on to you. I think the VWAP's a super, super important, aspect of trading. I do talk about this a lot in Stock Market Mentor, so I invite you to check it out, okay? Seriously, I want to see you there, okay? And if you don't show up.

46

00:08:52.690 --> 00:08:53.779

Dan Fitzpatrick: I'm gonna know about it.