STOCK MARKET MENTOR

Chart of the Day

Here's how we trade Lululemon and Victorias' Secret

September 3, 2026

Dan Fitzpatrick provides a technical assessment of severe earnings-driven sell-offs in major apparel retailers Victoria's Secret ($VSXY) and Lululemon ($LULU). Dan Fitzpatrick highlights that while both stocks plummeted after-hours on massive volume—with VSXY dropping 13% and LULU facing a 20% decline toward the psychological $100 support level—active traders should avoid shorting these extended downside moves. Instead, Dan Fitzpatrick details how to use Multi-Timeframe Analysis (MTFA) and the Volume-Weighted Average Price (VWAP) indicator to spot intraday institutional stabilization. By waiting for price action to cleanly reclaim the VWAP line during morning sessions, traders can execute high-probability "59-minute" bounce trades with defined risk controls.

Next Steps:

1. Monitor Intraday VWAP Levels for Reversals: Track short-term timeframes (1-minute, 5-minute, and 15-minute) on Victoria's Secret ($VSXY) and Lululemon ($LULU) during the opening session.
2. Wait for Institutional Confirmation: Only execute long bounce trades if price action moves and holds cleanly above the Volume-Weighted Average Price (VWAP) line.
3. Avoid Downside Chasing: Refrain from opening new short positions or selling into extended post-earnings gap-downs when equities are already down 13% to 20%.
4. Stalk Key Psychological Floors: Watch Lululemon ($LULU) near the $100.00 level for potential institutional buy-side support and stabilization.
5. Explore Mentor Membership Resources: Access 14-day trials for $7 at StockMarketMentor.com and OptionMarketMentor.com to review active trade lists and options premium selling strategies.

Transcript:

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00:00:02.290 --> 00:00:05.830

Dan Fitzpatrick: Hey, I'm Dan Fitzpatrick, StockMarketMentor.com.

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00:00:06.010 --> 00:00:11.099

Dan Fitzpatrick: And I want to talk to you about a couple of stocks.

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00:00:11.920 --> 00:00:29.839

Dan Fitzpatrick: apparel, and they're not doing too good. Here's the… oh, and before I get to… this is on Victoria's Secret and Lululemon. One is not so sexy, and the other's doing a massive… it's not downward dog, it's like a downward bear. And so we'll get to that in just a sec, but look.

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00:00:29.840 --> 00:00:48.390

Dan Fitzpatrick: Real quick, Stock Market Mentor, $7 for a free… I'll say it, it's a free 14-day trial. These days, $7 is free. Similarly, with Option Market Mentor, same thing. I'm the one that's doing all the options. Well, my sidekick, Sandy Kwong.

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00:00:48.390 --> 00:01:08.790

Dan Fitzpatrick: Andy Kwong is, too. But, we're doing mostly selling. Selling premium, making money basically every day, so I want you to check that out. If you like to trade, how about this? Why don't you trade and make some money, too, alright? So, we can help you out on that. Now, I want to get to my screen share.

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00:01:08.870 --> 00:01:17.489

Dan Fitzpatrick: Bam. There it is. Now, here's the thing. So, Victoria's Secret, I guess they just kinda… all the wheels came off, the…

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00:01:17.760 --> 00:01:19.760

Dan Fitzpatrick: Lingerie was…

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00:01:19.920 --> 00:01:36.080

Dan Fitzpatrick: They took off the lingerie, and the stock still plummeted, so I guess maybe it ain't so sexy. Here's the thing. So, the stock was down 13% after hours. At one point, it was down more. Look at the massive volume. So, what would I do?

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00:01:36.850 --> 00:01:41.140

Dan Fitzpatrick: Tomorrow morning, I would sit there and watch the stock. However.

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00:01:42.070 --> 00:01:50.179

Dan Fitzpatrick: This is my, multi-time frame, analysis. I… I guess this is just gonna stay right where it is.

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00:01:51.610 --> 00:01:52.360

Dan Fitzpatrick: Okay.

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00:01:52.390 --> 00:02:16.670

Dan Fitzpatrick: This is my MTFA, chart, and 1 minute, typically, like, 5 minutes early on, and then 15 minutes, and then maybe I'll put this to an hour or so. So this is a screen that I use to figure out if I want to take a trade on this. With this stock looking the way it is, there's no possible way that you should be shorting this stock tomorrow, or selling.

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00:02:16.740 --> 00:02:34.799

Dan Fitzpatrick: this stock tomorrow. The only question is whether you're going to buy it, because it's moving higher. And so what you want to do on something like that is you pay attention to this orange line. That's the volume-weighted average price. If the stock is above that line.

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00:02:34.800 --> 00:02:40.100

Dan Fitzpatrick: It indicates that There's buyers going on, like, real.

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00:02:40.120 --> 00:02:57.369

Dan Fitzpatrick: buyers. If it's not, don't be a fool and buy the stock. You only want to be buying the stock when institutions are. And the only way that institutions will tip their hand is they're buying it above the VWAP. Now, Lululemon.

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00:02:57.420 --> 00:03:08.209

Dan Fitzpatrick: I mean, this thing is absolutely getting fried, just absolutely shellacked, but you can see a similar thing here. The stock's down a lot, more than sexy.

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00:03:08.210 --> 00:03:20.930

Dan Fitzpatrick: And it's down right at about $100. Now, this would be $100, be a really, really good, place for a lot of people who still like Lululemon. I don't know who would, but some do.

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00:03:23.270 --> 00:03:37.190

Dan Fitzpatrick: Right at $100, they'd go, well, heck, man, the stock's trading at $100, I'll buy some. So we could see some buying interest here at $100 plus, as… this'll be down 20% tomorrow. That's really, really enticing.

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00:03:37.190 --> 00:03:50.109

Dan Fitzpatrick: enticing for people. So, you want to do the same thing. You want to wait for the stock to open up, and then once it starts trading above this volume-weighted average price, guys, guess what? That

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00:03:50.110 --> 00:04:04.319

Dan Fitzpatrick: is how you make money doing 59-minute trades, which, by the way, I'm going to be opening that up to, traders, to our 59-minute traders. We do live sessions. I'll be opening that up sometime, again.

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00:04:04.380 --> 00:04:08.539

Dan Fitzpatrick: Probably in about 3 weeks or so, I got stuff to do.

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00:04:08.540 --> 00:04:27.999

Dan Fitzpatrick: And so, I'm gonna wait, until we have a little more free time, maybe earnings are coming up, so we're gonna start doing that. Bottom line is this, there's a lot of different ways to make money. What I want you to do is make money with me, so check out Stock Market Mentor, Option Market Mentor, and Crypto Market Mentor. Scott is absolutely

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00:04:28.140 --> 00:04:31.699

Dan Fitzpatrick: Crushing it, alright? I will see you there.