STOCK MARKET MENTOR®

# Chart of the Day

## Here's how to understand today's move in Sandisk ($SNDK). Up 5% was bad.

January 30, 2026

Scott McGregor reviews Microsoft (ticker MSFT), noting that the broader software sector is showing strength as the iShares Expanded Tech-Software Sector ETF (IGV) bounced off its 8-day exponential period moving average to close right at resistance. Speaker Scott McGregor highlights that if software experiences upward follow-through, Microsoft becomes actionable on a high-volume breakout through its clear downward-sloping trendline. Scott McGregor identifies this consolidation as a potential "sloppy cup and handle" pattern, outlining a low-risk trade setup with an entry trigger near $505.90 and a stop-loss anchored around the 21-day EMA near $493.00, representing less than 3% total risk.

**Next Steps:**

1. Set Resistance Breakout Trigger: Place a price alert on Microsoft ($MSFT) near the $505.90 entry pivot to catch a move through its downward-sloping trendline.
2. Confirm Volume Execution: Stalk a high-volume move through and daily close above trendline resistance before executing fresh long tranches.
3. Establish Stop-Loss Boundaries: Place initial protective stop limits near the 21-day exponential period moving average around $493.00 to keep initial trade risk under 3%.
4. Monitor Sector Tailwind: Watch the software sector ETF ($IGV) for continuation past resistance to confirm broader sector participation.
5. Explore Community Watchlists: Visit stockmarketmentor.com and follow Scott McGregor on X (@ScottTrades) for full watchlist updates and daily analysis.

**Transcript:**

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

[0:02] at scott trades on x with

[0:04] stockmarketmentor.com

[0:07] and your chart of the day. Want to take

[0:08] a look at Mr. Softy. This is Microsoft

[0:12] ticker MSFT.

[0:14] Now software stocks have been looking

[0:16] good. And if you look at the IGV index,

[0:19] we see IGV pushed off the 8day

[0:21] exponential period moving average today

[0:23] and closed right at resistance. And so

[0:26] I'm looking for a bit of followth

[0:27] through here in software. And if we get

[0:29] that, I think Mr. Softy could be

[0:32] actionable with a move through this

[0:34] clear downward sloping trend line on

[0:37] good volume. Now, if you took that

[0:38] trade, I think you could put a stop

[0:40] right around the 21-day EMA, which is

[0:42] down near 493.

[0:44] So, that is uh not too much risk for an

[0:47] initial entry. Let's let's call it 50590

[0:51] on an entry and a stop down around 493.

[0:55] That's about less than 3% risk on a

[0:57] potential break higher here on Microsoft

[1:00] on what could be a pretty sloppy cup and

[1:06] handle pattern. You can see that this

[1:07] has been untradable really from a a

[1:11] trend trade perspective for a long time

[1:13] and now we're consolidating and I'm

[1:15] looking for that handle breakout here on

[1:17] Mr. Softy. So that's just one of many

[1:20] things we're watching right now over at

[1:22] stockmarketmentor.com.

[1:24] I hope that video is helpful. My name is

[1:26] Scott McGregor at ScottTrades onx. I'll

[1:28] see you next time.