

Chart of the Day

An abbreviated version of my training session today

October 8, 2026

Dan Fitzpatrick provides a technical assessment of broad equity indices, addressing why market participants must adjust their execution tactics during choppy consolidation regimes. Dan Fitzpatrick explains that while the secular long-term uptrend remains healthy, short-term price action on indices like the S&P 500 and NASDAQ is trapped in a loose, non-trending range where technical breakouts frequently fail. Dan Fitzpatrick rejects macro claims that the current market represents an artificial bubble, noting that strong corporate revenue—particularly across artificial intelligence infrastructure—supports valuations. To avoid account drawdowns and preserve capital during consolidation phases, Dan Fitzpatrick advises traders to size down starter positions, close stagnant trades, take profits rapidly, and avoid turning short-term trades into long-term bag-holding investments.

Next Steps:

1. Enforce Strict Tactical Sizing: Reduce initial position sizes during broad market consolidation; add capital only when open positions generate immediate profit feedback.
2. Capitalize on Artificial Intelligence Leadership: Align long-term portfolio growth with verified AI revenue leaders rather than non-trending, rate-sensitive laggard stocks.
3. Audit Short-Term vs. Long-Term Horizons: Review active positions to ensure short-term swing trades are not allowed to morph into unmanaged, long-term losing investments when breakouts stall.
4. Close Unworking Long Tranches: Prune non-performing trades during non-trending tape conditions to preserve liquid cash and avoid taking unnecessary small losses.
5. Trial Stock Market Mentor: Access Dan Fitzpatrick's complete 90-minute strategy sessions, active trade lists, and options updates by signing up for a 14-day trial for \$7 at StockMarketMentor.com.

Transcript:

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00:00:01.750 --> 00:00:16.379

Dan Fitzpatrick: Alright, Dan Fitzpatrick here. It is, Thursday the 8th, and I just got done, teaching about almost 90 minutes, to our members on, some of the things that are happening in the market.

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00:00:16.379 --> 00:00:30.459

Dan Fitzpatrick: And I went into a lot of detail, covered a lot of ground, and our members, the ones that have looked at it already or attended, have really gotten a lot out of it, but... so what I thought I'd do is just post an abbreviated

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00:00:30.460 --> 00:00:43.490

Dan Fitzpatrick: one in, Fitz and Five, so that you can kind of get the gist of what we're doing at, at SMM. But also, just to give you a sense of how to be prospering, or at least not be getting clubbed like a baby seal.

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00:00:43.490 --> 00:00:50.480

Dan Fitzpatrick: In this, market. By the way, I don't know where that phrase comes from, but the idea of clubbing a baby seal is...

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00:00:50.870 --> 00:01:00.319

Dan Fitzpatrick: you know, a little bit tough, for me. But anyway, that's the, phrase, so whatever. So, I'm gonna just go into it, and...

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00:01:00.780 --> 00:01:18.310

Dan Fitzpatrick: We'll go through this. Again, this is the abbreviated version, but this is what you need to know, that in this market environment, like, stocks are down again, today, and the bulls started to look tired on Tuesday, and what's really happening today.

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00:01:18.870 --> 00:01:21.920

Dan Fitzpatrick: If you look at this on the third day.

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00:01:22.920 --> 00:01:31.470

Dan Fitzpatrick: what, on the third day, the market rested. So, it's really just confirming that this was at least a short-term high. Long-term?

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00:01:31.660 --> 00:01:47.089

Dan Fitzpatrick: It just means that we're still stuck in consolidation within a prevailing secular uptrend. There's nothing wrong with the market. But on a daily basis, for those of you that are more active traders, this is something that you want to be mindful of.

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00:01:47.090 --> 00:02:00.779

Dan Fitzpatrick: Because entry is everything when you're talking about swing trading. So, if we look here at the S&P 500s, we just looked at the chart, the long term is healthy. Nothing wrong with that, we just need a little more time.

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00:02:00.780 --> 00:02:06.240

Dan Fitzpatrick: To build a base. And I think ultimately we're gonna get that done.

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00:02:06.240 --> 00:02:22.909

Dan Fitzpatrick: There seems to be this churn, this grinding around back and forth, with good news. Actually, not good news, hardly ever, it's just more an absence of bad news. But if we can just grind around here for a while longer, and I'm talking about maybe another month or even two.

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00:02:23.440 --> 00:02:31.210

Dan Fitzpatrick: Probably won't last that long, but if it did, it really sets us up for a nice bull run going forward. Unlike a lot of

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00:02:31.370 --> 00:02:33.350

Dan Fitzpatrick: market pundits.

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00:02:33.690 --> 00:02:45.370

Dan Fitzpatrick: I don't see this as being a bubble. It's not acting like a bubble. Frankly, those who are saying that it is a bubble, I think are kind of full of shit.

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00:02:45.650 --> 00:02:51.029

Dan Fitzpatrick: They because it's really fun. It's really fun to talk about a bubble when you missed it.

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00:02:51.370 --> 00:02:57.229

Dan Fitzpatrick: You know, and so, again, nothing's, to me, nothing's acting like it's a bubble.

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00:02:57.390 --> 00:02:59.150

Dan Fitzpatrick: And I see...

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00:02:59.710 --> 00:03:19.380

Dan Fitzpatrick: A lot of talk about financing, circular financing, NVIDIA saying, like, hey man, I'll loan you \$500 million so you can buy \$500 million of my product, you know, and it's a nice profit for me because I'm selling it to you at retail, stuff like that. So there's a lot of that stuff going on, but there's a lot of revenue coming in.

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00:03:19.390 --> 00:03:31.019

Dan Fitzpatrick: That's kind of a biggie, because it's different than the way it was back in the 90s, where you get some stupid company called The Globe, that had a lot of eyeballs. Why? I don't know.

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00:03:31.020 --> 00:03:49.569

Dan Fitzpatrick: But it had a lot of eyeballs, but no business model, no money, but hey, that's the way it was. You know, we go through these periods of stupidity, and that was one of them. This is not. This market is gonna go up and down, but generally speaking, I think if you're not in the AI trade.

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00:03:50.610 --> 00:03:59.169

Dan Fitzpatrick: I don't even know what the point is of you being in the market. I don't know, maybe buy Nike and say that you got it at the bottom?

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00:03:59.720 --> 00:04:11.169

Dan Fitzpatrick: Maybe that would be a good... if you're not into AI, then maybe that's your deal. Maybe you just want to buy Nike and hang on, you know, just do it. But anyway, so back on track here, so long-term.

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00:04:11.170 --> 00:04:36.159

Dan Fitzpatrick: The market is healthy, but we want to be in the right stocks. Short term, again, we're just kind of drifting around aimlessly, and if you're not careful, and I'll go into this in a little more detail, if you're not careful, you're just going to wind up buying at the top of the range because it's breaking out, and then when the breakout fails, you're going to be selling at the bottom of the range instead of buying at the bottom of the range. So, you gotta decide what's your strategy.

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00:04:36.160 --> 00:04:40.190

Dan Fitzpatrick: Long-term or short-term, and don't deviate from that strategy.

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00:04:40.190 --> 00:04:56.910

Dan Fitzpatrick: Don't turn a short-term trade into a long-term investment. Definitely don't turn a long-term investment into a short-term trade. Stick to your knitting, but just figure out what you're knitting first. So, if we're just looking at the NASDAQ, it's down 2%, down a little bit more now.

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00:04:57.020 --> 00:05:10.970

Dan Fitzpatrick: Over the last couple of days, this is a mistake. It should be, still, 5% above the 50-day moving average, but that breakout, that recent breakout, has just really fully retraced now.

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00:05:10.970 --> 00:05:21.900

Dan Fitzpatrick: And because the tops and the bottoms are in such a wide range, you know, there's really no squeeze. It's just turning around in, in kind of a loose

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00:05:21.920 --> 00:05:29.069

Dan Fitzpatrick: base, if you want to say it that way, in a loose consolidation, and loose is not good. We want to see tight.

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00:05:29.070 --> 00:05:42.250

Dan Fitzpatrick: Tight is good, and so when something's loose, it means that there's still a lot of disagreement in prices, and I want to see a tight range where buyers and sellers are pretty much set on a particular price.

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00:05:42.250 --> 00:05:50.960

Dan Fitzpatrick: price, and that means any big move one way or another can cause a big location... dislocation in the price. So, right now.

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00:05:51.270 --> 00:05:59.530

Dan Fitzpatrick: sellers are still in control. That's what I see, because most of the breakouts aren't working. Every once in a while, you'll get one that will.

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00:05:59.990 --> 00:06:18.839

Dan Fitzpatrick: But even then, you gotta catch it right at the right time, and a lot of times that breakout might go 4, 5, 6, 7, 8, 10% in a day, like the first day, and then the next day, it peaks and falls all the way back. So, you could say that was a good breakout, a successful breakout.

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00:06:18.840 --> 00:06:25.370

Dan Fitzpatrick: Or a failed breakout, depending on your timing. But just generally speaking, they're selling

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00:06:25.370 --> 00:06:39.789

Dan Fitzpatrick: coming into the market on any move higher. On any sign of strength, there's selling that's coming in. And so, buyers are a little bit more aggressive, but not sufficiently aggressive or capitalized well enough to overcome

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00:06:39.790 --> 00:06:46.070

Dan Fitzpatrick: the selling pressure. So, at this point, frankly, you know, there's not that much to do, and

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00:06:46.070 --> 00:07:05.669

Dan Fitzpatrick: I think, frankly, doing nothing is better than doing something. I've been making a few trades today, but they've all been closing positions. I don't want to be in this market right now. It's, I don't like to lose money. As a trader, you're gonna lose money. That's why they call it trading. They don't call it winning or money harvesting. You're gonna lose.

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00:07:05.690 --> 00:07:17.570

Dan Fitzpatrick: But I don't like it, and if I know I'm in a market where my reward is definitely likely to be limited. Then, I'm not trading to take small losses.

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00:07:17.570 --> 00:07:27.100

Dan Fitzpatrick: I'm trading to make money. And that's a big... if you really stop and think about that for a minute, just that, it's gonna keep you out of a lot of...

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00:07:27.100 --> 00:07:30.929

Dan Fitzpatrick: Shall we just say, you know, questionable.

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00:07:31.420 --> 00:07:46.820

Dan Fitzpatrick: trades, where you're not trading, you're not saying, oh, well, I'm going to take a tight stop on this. No, that's guaranteeing yourself that if you take a loss, it's going to be a small one. You want to take small losses if you lose, but the whole reason for trading

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00:07:46.930 --> 00:08:06.500

Dan Fitzpatrick: isn't to set yourself up for a small loss. It's to set yourself up for a profit. And that can be a paradigm shift for a lot of people, if you're not really thinking about it along those lines. Like, why am I making this trade? Oh, I've, you know, hey man, I got a hunch, I'm gonna buy a bunch, but I'm just gonna, set a real tight stop.

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00:08:06.650 --> 00:08:30.910

Dan Fitzpatrick: That's... that's not going to butter the biscuit for you, okay? So, you get my point. I hope so. So you want to be... this is the way you want to be doing. You want to be, adjusting your size to the market environment and how you are doing. If you are doing well, if your trades are working out, that would mean you're really pretty much in sync with the market, so bump your size up. You want to get paid.

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00:08:30.930 --> 00:08:35.420

Dan Fitzpatrick: When you're right, that's a... that's a really important.

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00:08:37.990 --> 00:09:01.609

Dan Fitzpatrick: That's a really important, thing to do. Okay, so, sorry, I'm... market's still open, baby. I'm still looking at it. And then also, when your trades aren't working, that's when you want to trade your smallest. So, you're gonna have a lower batting average, and then you're gonna be taking smaller profits, but you should never be taking big losses. This is what I know.

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00:09:01.630 --> 00:09:03.920

Dan Fitzpatrick: And this happened, this has happened

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00:09:06.050 --> 00:09:10.720

Dan Fitzpatrick: Since as long as I've been managing traders.

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00:09:11.560 --> 00:09:16.470

Dan Fitzpatrick: Which has gone on for almost 25 years. I started trading.

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00:09:16.980 --> 00:09:33.690

Dan Fitzpatrick: about 30 years ago, and so I got some opportunities to maybe jump in ahead of where somebody else might be in my position, and go over into the trader management side, and frankly, be honest with you, that's where you learn the most.

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00:09:33.690 --> 00:09:39.149

Dan Fitzpatrick: Anyway, so I've seen this over and over again, and that is, somebody

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00:09:39.150 --> 00:09:47.200

Dan Fitzpatrick: Somebody comes to me, and they say, you know what, I've got a real problem. I had been making a ton of money, and I've given it all back.

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00:09:47.280 --> 00:10:04.369

Dan Fitzpatrick: I'll go like, okay, tell me how that works. And the typical thing is, when the market was really solid, running higher, they're making a lot of money, they were trading well, they were doing the right things. Okay, that's fantastic. But then, when the market turned, they never...

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00:10:04.370 --> 00:10:22.600

Dan Fitzpatrick: changed their approach. They were still doing the right things, but they were doing the right things in the wrong room. They were doing the right things in the wrong market. And, I mean, that's a... that's kind of a big... it's a big deal, and people, it's... I'm telling you, it's really easy

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00:10:22.620 --> 00:10:34.250

Dan Fitzpatrick: To get stuck in that mode, to where you're making it... maybe you're buying breakouts, or you're doing a certain type of trading, or you're in stocks that are working really well.

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00:10:34.330 --> 00:10:42.670

Dan Fitzpatrick: And they're working really well, and you're feeling good, you like making money, you like seeing your account go up, it's awesome.

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00:10:42.670 --> 00:11:03.470

Dan Fitzpatrick: But then, when the market turns, and your account isn't going up so much, some of your positions have really, really kind of changed courses, you're still in that same mode where you're used to making a lot of money, you're used to your positions going up, and so then what kicks in? What kicks in is.

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00:11:03.470 --> 00:11:04.230

Dan Fitzpatrick: your

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00:11:04.230 --> 00:11:20.060

Dan Fitzpatrick: your other... your acceptance bias within your bullish bias, and what I mean by that is you're looking at a pullback, and instead of looking at it from a standpoint of, okay, am I getting new information?

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00:11:20.460 --> 00:11:43.789

Dan Fitzpatrick: about this trend, about what's going on in the market. Is this new information sufficient to make me say, huh, okay, maybe I'm wrong. Maybe I was right yesterday or last week or two weeks ago, but right now, from what I'm seeing in the market or in my stock, I think I gotta readjust myself. I think I gotta step back, take a fresh look, and maybe change my perspective.

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00:11:43.790 --> 00:11:46.189

Dan Fitzpatrick: Which means that then you change your trades.

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00:11:46.520 --> 00:11:48.360

Dan Fitzpatrick: Most people don't do that.

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00:11:48.650 --> 00:11:53.030

Dan Fitzpatrick: A lot of people don't. And certainly the ones that blow out didn't.

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00:11:53.320 --> 00:12:05.209

Dan Fitzpatrick: Always. That's the only... that... I'm serious, that's, like, the only mistake that people make when they blow out, is they didn't change their...

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00:12:05.960 --> 00:12:17.540

Dan Fitzpatrick: evaluation. They didn't change their opinion, they didn't change their trading approach when information, when the market developments were such that

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00:12:17.880 --> 00:12:21.949

Dan Fitzpatrick: Indicated that their trading approach was no longer working.

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00:12:22.020 --> 00:12:38.710

Dan Fitzpatrick: And some of that is that they just missed, and I mentioned this earlier, that they were only taking smaller profits, or they were only able to take smaller profits, and their losses, they were happening all the time. They went from batting 500 or 600 to batting 150.

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00:12:38.710 --> 00:12:55.269

Dan Fitzpatrick: And grounding out a lot. So, they stopped, or they didn't be... they never felt like they needed to before because the market's going up. They weren't weighing risk versus reward anymore. They were just buying and then waiting for things to work out, and then when they weren't.

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00:12:55.270 --> 00:13:13.760

Dan Fitzpatrick: they still waited for things to work out. So they were trading in the prior way that worked in yesterday's market, but not in today's market. So, what I do in markets like this, it's different than when the market's working really well. I like to pound the table.

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00:13:13.760 --> 00:13:22.040

Dan Fitzpatrick: And tell people, look, you gotta be in, you gotta, manage your risk, raise your stops, but go ahead and keep this trade going.

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00:13:22.040 --> 00:13:47.010

Dan Fitzpatrick: That's the easy stuff, because it's easy to look at a chart and go, oh, it's going from lower left to upper right. Yippee-ki-yay, you know, let's ride that bull. But when the market's really choppy, then I have to change my tactic, which is why I'm sharing this with you. I want to keep you in the game, and at the same time, I want to keep you learning, and that really means that keep you learning from mistakes that I have made and lessons.

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00:13:47.010 --> 00:13:59.720

Dan Fitzpatrick: that I've learned, and what I'm telling you now is part of that. And so this is what motivates me, is to put you in a position where you really are successful, where you're really feeling

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00:13:59.720 --> 00:14:01.640

Dan Fitzpatrick: successful about.

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00:14:01.640 --> 00:14:24.850

Dan Fitzpatrick: what you're doing. And so, what I want you to do here is, and you can watch this video again if you're members, go ahead and watch the longer one, because I go into a lot more detail, about half an hour of it. The last half hour, I think, is question and answers. But generally, the first hour or so is where you're getting a lot more detail in what I'm talking about here.

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00:14:24.850 --> 00:14:29.589

Dan Fitzpatrick: And... It is, As I always say.

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00:14:29.590 --> 00:14:54.519

Dan Fitzpatrick: you can play it in fast speed. I talk a lot, but I tend to talk a little bit on the slow side, so you can speed it up. I don't think I sound like Mickey Mouse, but if I do, you know, I think you'll be able to manage it. So, okay, and if you're not a member of Stock Market Mentor, we're doing options, too, and you can go \$7 for 2 weeks. I think that's about as good as it gets to get you

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00:14:54.520 --> 00:15:08.050

Dan Fitzpatrick: in the game with me. Try it, see if you like it. My bet is you will, but if you don't, you know, that's okay too. But let's just keep pushing forward together, okay? And, more than anything else, let's go make some money.