



## Strategy Session

April 1, 2025

Scott highlights the resilience of technology stocks, noting they continue to outperform the broader market. The tech sector index is trading above key moving averages and forming a consolidation pattern with resistance near 15,200. A breakout above this level, especially on high volume, could signal a strong entry opportunity. Scott suggests using either a wide stop loss below the 200-day moving average or a tighter stop near the 50-day moving average, depending on risk tolerance..

### Next Steps:

1. Monitor the tech sector index for a breakout above 15,200, particularly with strong volume.
2. Consider an entry if the breakout is confirmed, using a stop loss strategy aligned with risk tolerance (wide stop below the 200-day or momentum stop near the 50-day).
3. Observe the consolidation pattern as an indication of potential strength in tech stocks.
4. Avoid premature entries and wait for a clear breakout confirmation before taking action.
5. Assess market conditions to ensure the tech sector maintains relative strength before committing to a trade.
6. Review position sizing and risk management before executing any trades.

### Transcript:

0:00: Hey everyone, good evening.

0:02: It's Scott at Scottrade's on Twitter with your strategy session.

0:06: It's Tuesday, April 1st, 2025.

0:09: I hope you had a great day.

0:11: Nice bounce day here in the market.

0:13: We did get a near term high above yesterday's price action, which is a positive.

0:19: I mentioned this morning that we ideally want to be able to hold above this.

0:24: This reversal bar that we got yesterday came on higher than average volume, so should be good here for a bounce, but of course, tomorrow we have liberation Day, and we don't know what the market is going to do tomorrow, so I would say drop dead level here on Spy is in and around 5:46.

0:43: A close under 546 on.

0:45: By, and I think you just want to be risk off, frankly, in this market, unless you have a trade that has a really good cushion or anything like that.

0:53: But this is a, not a bad follow through, but we really have to get above the 200 day moving average to signify any trend change.

1:03: So if you're more of a passive investor, someone who's not trading the day to day, I would just have an alert right here at around 576 and say, OK, if we get up and above 576, let's say 57,650, just to be exact, 57,650, if we can't get above that level, then you probably don't want to be involved in the market, but if we can, then that could be a level that would signify a potential trend change and could give us, you know, another uptrend here, and a potential retest of the highs, which could make trading a little more fun than it has been over the past couple of weeks.

1:45: It's been hard for swing trading because of the overnight volatility, even if you're swinging strength.



1:51: Like what happened yesterday, we could end up with a lower open and a flush to the lows, and ultimately it's not really rewarding you to swing strength in this market.

2:02: Typically, if you're gonna swing strength, you wanna do it while you're in a strong uptrend and above all the key moving averages, this, in my opinion, is still a short-term trader's dream.

2:13: You're taking a trade, the market is bouncing like on today, and then you're selling into strength and then coming into tomorrow saying, OK, let's see what today brings.

2:22: So that's really, in my opinion, all you should be doing from an allocation standpoint, if you are doing some trading, it should be if you're in anything that's under all the key moving averages here, like Spy, it should be a short-term trade only.

2:38: Triple Q still under the 200 day moving average, drop dead level here on the queues in and around this 457 level, anything.

2:46: , lower than that, and again, I think you wanna be risk off if we do break that level to the downside.

2:52: Yesterday's volume here on the queues and the close near the highs is a positive, but it's still going to take some work to ring off some of this fear.

3:01: Now, hopefully we get a little more clarity with tariffs tomorrow and that brings, you know, brings the fear out of the market, wrings the fear out of the market.

3:10: But we're still going to have to challenge some of these moving averages here.

3:14: Anytime we're under the key moving averages, they tend to act as resistance.

3:18: So I wouldn't expect a straight shot back above the 200 day moving average.

3:22: There's still probably gonna be a little bit of ebb and flow as I delete that, poorly drawn line.

3:28: That's essentially what we could be looking for for upside moves.

3:33: Now, if we don't get that, then we have to assume that a down trend remains in place, and again, that just means short-term trading only.

3:42: IWM holding up OK today but still not really in a great place.

3:47: You can see how it's come all the way back to some of these 2024 support levels, and again, just been not a great trade right now.

3:55: So again, I think you just want to be cautious with anything like IWM.

3:59: KWeb, I mentioned in the forum today, printing a bit of a falling wedge.

4:04: This looks OK if it can in fact break out of this wedge like this and ideally get above that 50 day moving average, or sorry, 21 day moving average, the blue line here on the chart.

4:17: Elsewhere, I did see some strength in Hack today, and I thought I saw De Beers in the forum talking about CrowdStrike.

4:24: Not gonna look at CrowdStrike, but noticing that the hack ETF has come down.

4:28: To the 200 day moving average, which has historically been a support level.

4:33: So keep an eye on hack for it to hold above that 200 day moving average.

4:38: Drop dead level, I think is around 70 bucks here on hack.

4:42: If it gets under 70, you'll want to step away, but if it holds up above, you could use that 200 day moving average as a support zone.



4:49: XLE been seeing some chatter about energy recently.

4:54: If I zoom out though, you can see that this has been in a long Sloppy, choppy base for many years.

5:01: Now, ultimately, that could be good if it ends up breaking out of that base, but it's not really doing it just yet, so we need a definite trend change here on XLE.

5:12: I would consider having a trend change alert in and around \$98.

5:18: Anything under \$98 is a lower high.

5:22: Relative to the trend.

5:23: And so that just means that if we do come back up to this area here, we have to assume it's going to act as resistance, and if you're trading anything XLE based, you're gonna want to sell into that.

5:37: Because previously, it's been slammed there time and time again.

5:41: So that could be a bit of a battle zone where if you're swinging from 93, I think your swing targets up here at around 98.

5:50: I mentioned XLU in the chart of the day today, just noticing it's in a tightening pattern because of the market conditions, we don't know what's gonna happen, but I would definitely want to have an alert on XLU at around 7950 and then look for that move above 7950, coming on volume.

6:07: Software, good volume yesterday, not so good here today, lower than average volume as I think traders are Waiting to see what tomorrow brings.

6:16: But again, this is under the 200 day moving average.

6:19: Wanna see it get above, hold above and do it on volume.

6:23: Gold holding up well, but this, it just seems like such a known trade right now.

6:29: I mentioned that in my morning note today.

6:32: Everyone and their dog now knows about the gold trade.

6:35: Heck, Jim Kramer is talking about the gold trade.

6:39: That's usually the sign that the trade is in its final throes.

6:45: So I would just be careful here on gold if you're in gold.

6:48: Firstly, congratulations, great trade.

6:51: Now I think it's time to flip.

6:53: More of a protective mode.

6:55: And think about it this way, if the market does start to turn to the upside.

7:00: Now again, we don't know if it will or or won't, but if it does, don't you think that people will get out of things that are protective like gold and rotate back into equities?

7:11: If that's the case, then you're gonna see this pull back hard, and you're gonna see this come back into the moving averages.

7:17: Now that could ultimately be a great longer term buy entry.

7:23: But in terms of just risk reward, it doesn't seem like a high risk reward here.

7:30: I would imagine this probably gets to 300.



7:33: And then that would be kind of my target for a trade on this because this has been in a massive uptrend for over 2 years now.

7:43: And so again, just, just thinking risk reward.

7:45: OK, we're coming up to a pretty clear round number.

7:49: Everyone and their dog knows about the gold trade now.

7:52: If the market turns, I think you're gonna see a rotation out of gold back in equities, and if it doesn't turn, then I think you gotta look at that 300 level as a pretty clear logical resistance zone that will probably see some heavy selling.

8:08: Same thing here on GDX.

8:09: GDX is still fine.

8:10: It's still above all the key moving averages, not doing anything wrong.

8:13: I didn't love this rejection here as it tried to make a new high for 2025.

8:19: It didn't do it, pulled right back under the 8 day, recovered, and so again, just seems like we're in a bit of a battle here, and most times if you are in a battle, and it's been in a strong uptrend already, And the sellers are showing up near the highs.

8:32: It just means you want to be protective.

8:34: Doesn't mean you have to sell everything, but it just means, OK, hmm, you know what, maybe I should move up a stop to a place that I'm happy where if it doesn't get hit, great, I'm still in the trade, but if it does get hit, fantastic.

8:47: I had a great trade, I made good profits.

8:50: Now let's go find something to spend that money on.

8:53: In Bitcoin land, keep an eye on Bitcoin because if I bring in BTCUSD and let's plop it on Coinbase.

9:01: I mentioned this chart to my friends over at Crypto Market Mentor.

9:05: We have a pretty clear downward sloping trend line on Bitcoin, clear resistance, clear resistance, clear resistance.

9:11: We have a low, we have a lower high, we have a higher low, and now we're looking for a potential break above that trend line and ideally a move back above that 50 day moving average.

9:23: If that happens, then we could see Bitcoin really start to go, we could see it really start.

9:29: To go, we could see the miners like marathon finally get off of the floor.

9:35: We these have been a terrible trade.

9:38: We could see Riot finally get off of the floor.

9:40: We could see MSTR really start to get going.

9:44: And so keep an eye on Bitcoin, if it does start to change this trend, I think you're gonna wanna look at one of those Bitcoin proxies, whether it's micro strategy or something else.

9:53: I'll I'll look at MSDR deeply here in just a couple of minutes.

9:58: OK, really quick here on the dollar, Dollar's not doing anything really clear, it's under all the key moving averages, under the 200 day, under the 50 day.



10:06: This being weak should be good for gold, it has been.

10:10: And it should be good for Bitcoin, and so we'll see if that underlying strength in BTC translates if we do get a downward move further here on the dollar, 10 year, no real clarity, under all the key moving averages, my understanding is that the market has now priced in another rate cut for 2025, meaning We could get 3 cuts this year.

10:33: Now that could be a good thing, could be a bad thing if it's because they think that the market's going, you know, if we're going to have a recession, that, well then that's a bad cut.

10:41: That's not a cut that they want us, that we want to have made because ultimately everything's gonna suffer, but it is good to know that the market is looking at that going, OK, at some point, The Fed will have to step in, whether that's with something like quantitative easing or front loading rate cuts.

11:00: Either way, we'll watch and see what Fed Chair Powell says on Friday.

11:06: OK, gonna bank through these stocks really quick because there's no real, I guess, top setups right now because we are still in a choppy, sloppy range.

11:15: Want to point out meta and how meta is holding up above the 200 day moving average.

11:20: It got, it got below yesterday.

11:22: Backup today, still needs a potential daily higher low, and then I'd like to see this print a higher high.

11:30: To signify a potential trend change.

11:32: That hasn't happened yet, so you're still early here on meta, Netflix, and a bit of a tightening pattern.

11:38: Now, you're gonna see this pattern on a handful of charts that I'm showing you here tonight.

11:43: Clear lower highs, clear higher lows, no real signal yet.

11:48: I would have an alert on Netflix right around 1000 bucks, just to be safe, and then you can play, sure, I mean, you can play this trade saying, OK, I'm gonna buy it here.

12:00: I'm gonna define my risk at that trend line.

12:03: And then I'm gonna swing it to the other side of the 50 day moving average again, short term style trade.

12:08: I think that could work right here, but in terms of a trend change, I think, I think you really just want to see it get back above 1000.

12:16: Here's Dominion Energy ticker D.

12:19: This is a utility stock and again looks a lot like the XLU.

12:23: Down or slipping trend line, clear resistance, just under resistance.

12:26: Nice pickup in volume here yesterday, but it is coming up to a previous zone where it's been rejected.

12:31: I think you'll wanna watch for that before getting involved here on Dominion.

12:36: I saw Champ talk about CVX in the forum today.

12:40: A bit of a high base here, again, great for day traders, hard to swing because we're not getting a lot of nice long bases.

12:47: I would have an alert on CVX right around 169 for a momentum trade like that.

12:54: Berkshire Hathaway, ticker BRK.B. In an uptrend above all the key moving averages, loved this upside reversal yesterday.



13:02: The buyers really stepped in and showed us that that 21 day exponential period moving average is support here on Berkshire.

13:10: So from a drop dead trade perspective, if you're in the stock right now, I'd probably want to have a stop right around 5:18.

13:17: Spotify in again, that tightening pattern that we're gonna see.

13:21: You're gonna see this on a few charts here tonight.

13:23: Tightening, tightening, tightening at the bottom of the range.

13:26: Any new trade on this, I think you wanna have your risk defined right under that down or sloping trend line in and around 5:25 on Spotify, Palantir tightening, tightening, tightening, and see how I drew this trend line all the way back just to see how long this resistance, or sorry, support level has been in place, really since the gap up here in November.

13:47: This has been a pretty clear support level for bounce trades.

13:52: So, again, same kind of setup.

13:53: I think you want to have a stop right at the bottom of this trend line.

13:57: Keeping in mind, OK, resistance is right there.

14:00: So if I'm gonna swing this, I gotta assume \$90.92 dollars is probably gonna be resistance.

14:07: Maybe I wanna sell some into that pop.

14:09: If it does continue.

14:10: And if it breaks above, OK, great, I'll look for an ad spot within consolidation, so you can swing some, take some profits, but don't sell it all, just in case it does continue to reward you.

14:23: Let's look at Palomar, ticker PLMR.

14:26: I mentioned this one in the webinar that Dan and I did yesterday.

14:29: It's just riding this eight day exponential period, moving average beautifully, every dip to the eight day, heck, even the 21 day is being bought.

14:37: So these insurance stocks are working really well, kind of think that's why Berkshire's working well as well.

14:43: Here's the CME Group, Ticker CME Do or slipping trend line, a bit of a flag here on CME.

14:49: No real clarity.

14:51: It's just kind of basing along the 8 day.

14:53: I'd want to see this tighten up or get above that 265 level and do it on volume.

15:01: Really quick here on some gold miners, Agnico, Eagle Mines, AEM in and up trend, above all the key moving averages, not doing anything wrong, the trend is still OK, but again, if gold does at some point break down, I think you're gonna wanna run away from some of these stars.

15:16: Just in case we get some prolonged consolidation.

15:20: AGI again, not doing anything wrong, but watch that 8 day exponential.

15:24: If you get a close below the 8 day, maybe you want to take some profits.

15:28: If you get a close below the 21 day, then I think you want to be out of this trade.



15:33: Micro strategy hitting into a resistance zone just under the 50 day moving average.

15:38: I was pointing out to some members at Crypto Market Mentor today that I see this pretty clear downward sloping trend line, resistance, resistance, resistance.

15:47: It got above, pulled back, and now it's just kind of in and around.

15:50: this congestion zone for a new trade on MSTR, you gotta be cognizant that, OK, we're coming into a previous resistance zone.

16:00: So any trade on this, you have to assume we're probably gonna get profit taking.

16:05: So until MSTR can get above and stay above, let's say 544.

16:11: I think you just want to be at least from a short-term trade perspective.

16:15: Small or selling into strength, and then if we do get a pop above that level coming on volume, then I think you'll want to size in for a potential trend change.

16:24: Let's take a look at GE.

16:25: Shout out to De Beers.

16:26: De Beers was talking about this one in the forum today.

16:30: It's holding up OK.

16:31: Again, I don't really see an actionable trade here.

16:33: I like that it's above the 50 day moving average, but keep in mind it's running into A lot of supply up above, so I would have an alert on GE from a new trade perspective, probably looking for a breakout above 214 or watch for another bounce off that upward sloping trend line.

16:52: And if it does come back here, potentially print a high or low, then you're looking for that move back above something like that.

16:59: So that's kind of the setup that I would look for here on GE.

17:03: I don't think it's bad to own it right now.

17:05: If you own GE, I mean, you're probably doing great, but from this new, you know, looking at this from a new trade perspective, it's just risky because you got, you know, you got support down here at 194, but you got, it's coming right into some resistance, up above 200.

17:21: So I would just be careful from a new trade perspective, otherwise, set an alert at around 214.

17:27: And by the way, if you are looking at something like Bitcoin, consider BITX.

17:32: This is a leveraged Bitcoin play.

17:35: Which is kind of like micro strategy because it has leverage, but it doesn't have any potential micro strategy risk, like diluting the stock by selling shares to buy Bitcoin or anything like that.

17:47: So add this one to a watch lists if you don't have it.

17:50: Like I said, I don't think it's actionable right.

17:52: Now until we get that trend change on BTC, but if I know a lot of people don't have BITX on their watch list, and this could add a little extra leverage if, in fact, the Bitcoin trade gets going.

18:03: So I hope that video's helpful.



18:05: Give me a follow on Twitter, if you don't already, at Scottrades, I'll see you tomorrow.