



Strategy Session

April 3, 2025

Dan discussed the current market situation and its impact on trading behavior, emphasizing the importance of considering taxes when making profits in long-term accounts. He also highlighted the need for emotional stability and discipline in trading, the importance of identifying stocks with a rising relative strength line, and the importance of managing risk in retirement funds. Lastly, Dan discussed the importance of precision in day trading, the potential for a market snap back, and the need for clear rules and continuous improvement in trading.

Next Steps:

1. Attendees to develop and follow trading rules to manage risk and improve performance.
2. Attendees to focus on stocks with upward trending relative strength lines.
3. Attendees to consider reducing positions or exiting trades when stocks fall below key moving averages.
4. Attendees to monitor market breadth indicators for potential trend reversals.
5. Attendees to practice emotional control and avoid making impulsive trading decisions.
6. Attendees to track their trading performance and refine their strategies over time.
7. Attendees to be cautious about holding positions over the weekend due to potential gap risk.
8. Dan to research dividend-paying stocks for a future discussion.

Transcript:

1

00:00:09.140 --> 00:00:10.380

Dan Fitzpatrick: Okay, yeah.

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00:00:11.070 --> 00:00:18.550

Dan Fitzpatrick: Guys will take a minute or so to let people get in. So

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00:00:19.120 --> 00:00:22.460

Dan Fitzpatrick: it's kind of an interesting. It's kind of an interesting market

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00:00:23.084 --> 00:00:25.870

Dan Fitzpatrick: to, to say the least. And

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00:00:26.000 --> 00:00:32.209



Dan Fitzpatrick: we've seen this kind of thing before, and I'm going to go ahead and get my ugly mug

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00:00:33.230 --> 00:00:38.130

Dan Fitzpatrick: off of the screen here, so we can start looking at charts. I'm assuming

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00:00:38.400 --> 00:00:43.129

Dan Fitzpatrick: you don't log on to these things to see my modeling stick.

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00:00:43.740 --> 00:00:52.032

Dan Fitzpatrick: So yeah, I know tears of tears, of joy.

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00:00:57.120 --> 00:01:02.680

Dan Fitzpatrick: all right. There we go now. If you got.

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00:01:04.280 --> 00:01:10.019

Dan Fitzpatrick: If you got questions, stocks, anything like that, let me know.

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00:01:10.570 --> 00:01:19.190

Dan Fitzpatrick: Typically on market days like this, there's a lot of a lot of people just stay in the bunker.

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00:01:19.590 --> 00:01:30.539

Dan Fitzpatrick: I've said this before. You can kind of tell. I can tell where the market is. Well, I can tell where the market is, because I'm here every day. But

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00:01:30.670 --> 00:01:33.200



Dan Fitzpatrick: I wouldn't even have to be.

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00:01:33.810 --> 00:01:56.819

Dan Fitzpatrick: I wouldn't even have to have my my charts, or news, or anything on, in order to know where the market is. As long as I had Karen or somebody. Tell me how many posts are in the trading room. When everything's hot and good, we'll get a lot lot more activity in there. By the way this neither good nor bad. It's just that's human nature.

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00:01:57.080 --> 00:02:00.010

Dan Fitzpatrick: And so lately the

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00:02:00.690 --> 00:02:07.889

Dan Fitzpatrick: trading room's been been pretty dead, and I and I get that, and and I want to say this

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00:02:08.030 --> 00:02:10.470

Dan Fitzpatrick: hopefully, this resonates with you.

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00:02:10.690 --> 00:02:18.740

Dan Fitzpatrick: I want to say this about about trading behavior, about your trading behavior. And when I talk about trading.

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00:02:18.890 --> 00:02:24.039

Dan Fitzpatrick: I'm also talking about investing. But here's here's the thing

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00:02:24.170 --> 00:02:42.830

Dan Fitzpatrick: when we're and I've mentioned this before I live in California. So I basically don't get to keep any of my money. I just take the risk, and then the government takes the reward. I'm joking, but actually kind of on the square. So if you have a so it's just exacerbated for me.



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00:02:43.080 --> 00:02:50.530

Dan Fitzpatrick: But and other people in the State, whoever's left so the thing is.

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00:02:51.680 --> 00:02:56.710

Dan Fitzpatrick: if you have a long term account as as we do.

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00:02:58.010 --> 00:03:12.110

Dan Fitzpatrick: There's really not that much. There's really not that much to do other than maybe adjusting a few certain things and all that. But if you have a long term account to be

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00:03:12.500 --> 00:03:36.240

Dan Fitzpatrick: saying, Oh, well, I gotta raise more cash, because oh, the market's going to tank, or I need to take big profits, whatever I need to cut, cut my risk down and stuff like that. There's certainly a place for that, and it just kind of depends on what your portfolio is how you wind up doing that. But taxes are a big

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00:03:36.870 --> 00:03:46.749

Dan Fitzpatrick: taxes are a big play, a big part in long-term accounts for trading accounts. I don't even think about taxes, because

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00:03:46.860 --> 00:03:48.370

Dan Fitzpatrick: this is a job.

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00:03:48.840 --> 00:04:08.999

Dan Fitzpatrick: and that kind of gets to my point for a long term investment. You always want to be looking at like if I make if I make a you know, \$100,000 on positions that I feel like, okay, well, I need to close these out, so I don't lose money



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00:04:09.240 --> 00:04:11.100

Dan Fitzpatrick: after tax season.

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00:04:11.260 --> 00:04:28.349

Dan Fitzpatrick: I'll be lucky if I keep 40,000 of it frankly. So that's a big, huge consideration. So oh, I'm making \$100,000 profit. No, you're not. The government knocks on your door and says, Hey, partner, how'd we do.

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00:04:28.790 --> 00:04:31.957

Dan Fitzpatrick: If you're taking losses. The government's totally

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00:04:33.390 --> 00:04:48.420

Dan Fitzpatrick: They're they're absent. They're not your partner. They're just glad to see that they're not, anyway. But then, when it comes to investing, or excuse me when it comes to trading again. I look at that as a job.

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00:04:48.860 --> 00:04:56.109

Dan Fitzpatrick: and I kind of take it a step further, and I think I hope that this will. I hope that this will make sense to you

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00:04:56.540 --> 00:05:00.540

Dan Fitzpatrick: in your regular career, in your regular job.

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00:05:00.690 --> 00:05:03.059

Dan Fitzpatrick: If you have a job, and

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00:05:03.390 --> 00:05:12.030

Dan Fitzpatrick: you didn't have a regular paycheck, but your paycheck varies, it varies frankly.



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00:05:13.040 --> 00:05:27.270

Dan Fitzpatrick: it varies according to business. How much money is your which is, can be kind of true in the long run, like, Hey, man, you know revenues are down. We're going to have to cut your salary a little bit or sorry we can't give you your raise. Okay. But.

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00:05:27.620 --> 00:05:33.480

Dan Fitzpatrick: General, like more specifically, let's say you're in a job where

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00:05:33.830 --> 00:05:44.389

Dan Fitzpatrick: you're going to get paid. Kind of whatever the boss feels like paying you, depending on how business is doing. So if you see

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00:05:45.160 --> 00:06:00.740

Dan Fitzpatrick: if you see business doing badly, you can either go work. And, by the way, it doesn't matter what work you do, the business is still the business. You really have no say in it. You can be like the bookkeeper or something. But if business is bad.

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00:06:02.140 --> 00:06:12.250

Dan Fitzpatrick: you know you're not going to get paid much money. In fact, you may not be paid at all. In fact, the the company might start charging you for a lease on your

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00:06:12.380 --> 00:06:35.490

Dan Fitzpatrick: on your company office, but if that's the case, and the market, or excuse me, and your job is really not paying well. How motivated are you going to be to come? Start putting in overtime, start feeling stressed about things, work harder, harder, and harder and harder. Show up early, stay late, work your butt off.

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00:06:35.700 --> 00:06:42.719



Dan Fitzpatrick: and then you're looking at your paycheck, and it's either like hardly anything at all, or it's actually a bill.

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00:06:43.990 --> 00:06:47.320

Dan Fitzpatrick: How much, how eager are you going to be

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00:06:47.860 --> 00:06:52.659

Dan Fitzpatrick: to show up the next day or the next week, and work just as hard.

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00:06:52.940 --> 00:07:09.729

Dan Fitzpatrick: Answer. You're not. What are you going to be doing? Instead, you're going to be chilling out. You're going to be relaxing. You're not going to be working so hard. Maybe I don't know like I said, maybe you're just gonna chill and go golfing for a day.

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00:07:09.730 --> 00:07:32.810

Dan Fitzpatrick: But and why would you be doing that because you know you're not making money, and I don't know about you. But for the most part I work to make money. I probably wouldn't be doing much of this at all if I was working for free. But then, on the other hand, when you know that the getting's good business is great. The harder you work the more money you make.

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00:07:32.810 --> 00:07:41.559

Dan Fitzpatrick: You're going to be licking your chops. Going. Okay? Well, this is why I have my job. This is why I do what I do now.

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00:07:41.690 --> 00:07:50.630

Dan Fitzpatrick: I got to go in and make as much money as I possibly can, because, hey, it's a good environment. I'm going to get paid a lot

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00:07:50.780 --> 00:07:51.970



Dan Fitzpatrick: for working.

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00:07:52.914 --> 00:07:53.650

Dan Fitzpatrick: So

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00:07:54.660 --> 00:08:14.939

Dan Fitzpatrick: think I mean, that's why rock bands and country bands. Sometimes there's no difference. That's why they go on tour after they do a major album, because they know they're going to be making a lot of money if they haven't had an album out for a while. They're probably not going to have this big stadium tour, because nobody's going to come. Okay.

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00:08:15.540 --> 00:08:25.510

Dan Fitzpatrick: here's my point. Trading's kind of the same way when the market is really really tough, like it is now. And you can see here when the market's really hard.

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00:08:26.630 --> 00:08:30.989

Dan Fitzpatrick: not a whole lot of money to be made, and so you can

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00:08:31.350 --> 00:08:38.219

Dan Fitzpatrick: start cutting your positions down. You can start studying. You can start doing other things. You can spend less time

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00:08:38.289 --> 00:09:01.429

Dan Fitzpatrick: in your trading, and all the while be vigilant as far as waiting for the market to turn. You can be doing that, or you can just roll up your sleeves and buckle down and really start like day trading, or really like. Oh, this is down. I think it's down enough. I'll buy some Meta, or something like that. You can do that, and it's all your choice.

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00:09:01.540 --> 00:09:18.270



Dan Fitzpatrick: It's nobody else's choice like the market. The market isn't rigged, the market's not out to get you. The market's not, you know, up out to screw you. You're kind of the captain of your own ship, so just be mindful of that. And

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00:09:18.670 --> 00:09:22.950

Dan Fitzpatrick: and also be mindful of this. I'm going to.

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00:09:23.970 --> 00:09:26.080

Dan Fitzpatrick: I'm going to turn this off.

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00:09:26.290 --> 00:09:38.230

Dan Fitzpatrick: Okay, so you can see me again. Okay, be mindful of this rules.

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00:09:38.470 --> 00:09:43.259

Dan Fitzpatrick: we'll keep you out of trouble if you don't have rules.

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00:09:43.550 --> 00:09:51.790

Dan Fitzpatrick: This is the kind of market that can absolutely crush you, and the reason is because your emotions are going to come into play.

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00:09:52.714 --> 00:09:54.739

Dan Fitzpatrick: Because you were.

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00:09:54.820 --> 00:10:22.019

Dan Fitzpatrick: You were too long like you hadn't respected your stops, so you hadn't put in stops. Or maybe you had a couple big positions that you felt really really good about. Or maybe you've maybe you've taken some pretty big losses, and and that has kind of sapped your your confidence. I've been there. I've been there several times throughout the beginning of my career, and even kind of deeper into my



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00:10:22.020 --> 00:10:28.779

Dan Fitzpatrick: career. I've gone like holy crap, you know. What did I do? What did I just do? And the answers?

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00:10:28.780 --> 00:10:31.769

Dan Fitzpatrick: Well, there are 2 answers. Early on.

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00:10:31.910 --> 00:10:42.940

Dan Fitzpatrick: The answer was because I didn't have any rules. And I didn't have any rules because I didn't have a strategy other than, well, I want to make money. Okay, that's not a strategy.

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00:10:44.180 --> 00:10:53.690

Dan Fitzpatrick: That's like, well, I want to lose weight. Okay? Well, yeah, you could do that. But if you're talking about like how you want to lose weight while you're eating a pint of ice cream.

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00:10:53.850 --> 00:11:10.659

Dan Fitzpatrick: you know. You'll kind of find out that wanting to lose weight isn't a strategy. So it's really the same thing in trading. And early on, I really didn't have a strategy. I was doing a lot of different things. I was kind of a jack of all trades, I guess you could say, but I was so new

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00:11:11.360 --> 00:11:34.879

Dan Fitzpatrick: I didn't really know much of anything when the market was going up. Then I felt really really good because I was making money, and then, when the market was going back down when it reversed, maybe we had a crash, and I've seen a few of them in my career. Then it took out, took away all my profits and a lot of times even more so and so that's just the nature of markets.

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00:11:34.880 --> 00:11:42.750

Dan Fitzpatrick: And if you are not trading, and then, later on, a few years after I started really applying my rules.



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00:11:43.040 --> 00:11:52.000

Dan Fitzpatrick: I still got in trouble one time, and I remember exactly what it was. I stopped following my rules.

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00:11:52.570 --> 00:12:09.490

Dan Fitzpatrick: and that's the killer right there. If if you have rules, you need to follow them. You need to follow them ruthlessly. You need to follow them like they are the law, and you don't want to be a criminal. You have to follow your rules. Now.

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00:12:09.980 --> 00:12:35.310

Dan Fitzpatrick: here's the other thing. Oh, and if you don't have rules, then you need to make some, and I talk about this all the time. So does Scott. I have it in mentor trading mastery. Talk about that a lot. But the point is, if you have rules, you have to follow them. If you don't have rules, then you need to make them, and but you always have to be mindful until you get really, really long in the tooth and trading.

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00:12:35.310 --> 00:12:50.760

Dan Fitzpatrick: you have to be mindful that your rules can always be refined as you learn more as you get more experience in the market as you develop kind of a feel per se. Then you can really refine your rules a little bit.

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00:12:51.070 --> 00:12:53.020

Dan Fitzpatrick: and when I say a feel.

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00:12:54.290 --> 00:13:10.220

Dan Fitzpatrick: I'm talking about your ability to get more of the nuances out of charts. I'm not talking about your ability to kind of ignore charts and say, like, Okay, well, I know this is done going down, or whatever the charts are.

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00:13:10.680 --> 00:13:11.810

Dan Fitzpatrick: the law.



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00:13:12.330 --> 00:13:22.819

Dan Fitzpatrick: And so your rules have to follow chart patterns and chart patterns have been the same. I was just talking to somebody about this the other day.

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00:13:24.050 --> 00:13:31.439

Dan Fitzpatrick: the the same charts that I showed in courses back in in 2,003.

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00:13:31.750 --> 00:13:53.349

Dan Fitzpatrick: They don't look any different than the charts that are around today, because human behaviors, human behavior, money, management's money management, money management markets go up, markets go down, and the ups and downs impact human psychology. It's all the same. And so the thing is, you can learn

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00:13:53.800 --> 00:13:54.780

Dan Fitzpatrick: by

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00:13:55.050 --> 00:14:09.799

Dan Fitzpatrick: you can learn by reading one of the best books I've ever read. I mean Bill O'Neill has several of them, and and Mark Minervini's are gold. But Louis Livermore. I think it was written by his

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00:14:10.010 --> 00:14:11.840

Dan Fitzpatrick: pseudonym.

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00:14:12.160 --> 00:14:37.840

Dan Fitzpatrick: Edwin Lefever, or something like that. But Livermore was trading by the same rules that I'm showing you. And this was what a hundred years ago, or something like that. So just be mindful that rules are the most important part of your trading. And if you're saying like, I know. But I get so emotional. Then my humble response to that would be.



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00:14:38.050 --> 00:14:40.290

Dan Fitzpatrick: then you're not following your rules.

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00:14:40.920 --> 00:14:42.220

Dan Fitzpatrick: I'll say it again.

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00:14:42.340 --> 00:14:49.610

Dan Fitzpatrick: If you are feeling like, Yeah, but I get so emotional, and then I can't help myself or whatever. Then

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00:14:50.100 --> 00:15:01.239

Dan Fitzpatrick: you're not following your rules, and I know that for an absolute fact. And the reason is because your rules are designed to eliminate

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00:15:01.430 --> 00:15:02.890

Dan Fitzpatrick: your emotions.

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00:15:03.350 --> 00:15:20.860

Dan Fitzpatrick: to eliminate them. If you have your rules set and you're following them. Then, as the market, like as the market starts moving higher, and as you're and again, all of this, you have to kind of know what you're doing. But as the market moves higher as your stocks move higher.

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00:15:21.080 --> 00:15:39.730

Dan Fitzpatrick: your rules would dictate to adding to those positions to be bigger on the things that you're right about, because you really want to get paid off to a much, much greater extent than the losses that you take on the trades that aren't working out



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00:15:39.850 --> 00:16:07.120

Dan Fitzpatrick: because you're going to take losses. That's why they call it trading. They don't call it winning or money harvesting, hey? It's harvest time. Let's go make some money. No, trading is speculation, and if you can't understand that managing risk is a massive part of that, and the risk is losing money, then you shouldn't really be in this. You shouldn't really be in this game. And those are rules that you can't

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00:16:07.280 --> 00:16:19.769

Dan Fitzpatrick: like. This is just the reality of things, and you can't. You can't debate your way out of that. You can't say, Oh, this doesn't apply to me one of the things that

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00:16:20.400 --> 00:16:43.080

Dan Fitzpatrick: that I remember 2 things that Paul Tudor Jones said that really, really stuck out with me. That guy's really really great. But one of the things he said is nothing good ever happens below the 200 day moving average. And the other thing that I remember him saying was that he is actually at the greatest risk

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00:16:43.210 --> 00:16:58.010

Dan Fitzpatrick: after he has been on a quote winning streak after he's had a string of big trades that have netted him a lot of money. That's when he's at the biggest risk, because in, as he puts it, because then I start to think I know something.

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00:16:58.420 --> 00:17:07.350

Dan Fitzpatrick: and that's a real real dangerous place to be, and I've read books on coaching. I've read books on

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00:17:07.589 --> 00:17:28.939

Dan Fitzpatrick: boatload of books, on trading, and just on day trading and trading in general, and one of the themes is for these short term swing traders, where you really kind of like aggressiveness is important, and all that, and certainly for prop traders, traders that are trading proprietary traders that are trading on trading desks. If they have.

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00:17:29.110 --> 00:17:32.400



Dan Fitzpatrick: like 2 or 3 killer days.

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00:17:32.920 --> 00:17:39.600

Dan Fitzpatrick: they have to take a day off, they kick them out of the office. You've got to push away from your computer for the same reason.

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00:17:39.770 --> 00:18:07.419

Dan Fitzpatrick: because you start feeling like you know something, and then you get bigger and bigger and bigger. And the next thing you know, the market comes back to you and says, actually, you know what you really don't know as much as you thought. But let me teach you something here. This is what it feels like to lose a boatload of money. Okay, now you know how that feels. So you're wiser. You don't have much money left. But you're really really smart. Okay? So when you are on a real.

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00:18:07.600 --> 00:18:12.139

Dan Fitzpatrick: I can't think of a better way to say it. When you're on a real hot streak

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00:18:12.970 --> 00:18:21.060

Dan Fitzpatrick: you need to make sure that you're checking your expectations, checking your ego, checking your

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00:18:22.200 --> 00:18:25.450

Dan Fitzpatrick: your behavior, checking all that at the door.

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00:18:26.230 --> 00:18:28.389

Dan Fitzpatrick: Excuse me, don't be.

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00:18:30.820 --> 00:18:33.309

Dan Fitzpatrick: Don't be thinking that it's you.



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00:18:33.540 --> 00:18:39.880

Dan Fitzpatrick: because it's not. It's the market and the idea with trading is

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00:18:40.380 --> 00:18:47.680

Dan Fitzpatrick: you want to be making more on the upside than you're losing on the downside. You want to be making.

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00:18:48.050 --> 00:19:01.860

Dan Fitzpatrick: picking some numbers out of the air, 20% on the upside losing 5% on the downside. Then 15% on the upside, losing 3% or 8% or whatever on the downside.

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00:19:01.860 --> 00:19:22.869

Dan Fitzpatrick: That's just the slope that you want to see. It's an uptrending. It's an uptrending slope. What you don't want to be seeing is make 20% lose 20% or make 10% lose 12%. The numbers don't lie. You have to have mathematics in your favor, and you need to be tracking how your performance is.

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00:19:23.340 --> 00:19:29.290

Dan Fitzpatrick: In any given period of time. And I'm not. I'm not really talking about from week to week.

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00:19:29.520 --> 00:19:46.840

Dan Fitzpatrick: It actually should be from trade to trade. You should be looking at all your trades and monitoring them to make sure you're not taking a big loss on anything, to make sure that you're banking profits when you have them, at least take a little bit off the table. These are all the things they're

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00:19:47.270 --> 00:19:56.689

Dan Fitzpatrick: kind of like rules. These are the kind of things that you need to be doing, and if you are doing that and always be giving way to the charts I think of like



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00:19:57.700 --> 00:20:18.549

Dan Fitzpatrick: I think of the market as like a big gale force a big wind of varying intensity. You don't want to be an oak tree, because when the wind gets really really strong, those oak trees snap, you want to be like a willow that just kind of bends back and forth, and that's the way you're able to stay in the game. And so

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00:20:18.870 --> 00:20:41.150

Dan Fitzpatrick: in this. And, by the way, is what I'm saying. Is this valuable to you, or do you just want to look at the intraday chart of Meta, or something like, tell me if if this is working for you, it's this, I'm doing this for you. Okay, good, great. So here's the thing, though, we want to be

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00:20:41.440 --> 00:21:08.079

Dan Fitzpatrick: in a position emotionally where it's where we're always, even where we're always steady, and that means that as the market rolls over, you're finding fewer and fewer things to buy, I mean, haven't. How many times have I talked about this where I say, actually, when the market's really crappy, our job is actually easier. And it's easier because there's less to do. Go back to what I was saying my analogy about working.

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00:21:08.190 --> 00:21:36.399

Dan Fitzpatrick: Okay. When the job is crappy, when the pay is not there, your job is easy. Get the hell out of the office and go do something else for the day or the week. And so we want to be thinking about trading in those terms, too. And so when you're looking around for your setup, you're looking around for things that are working that fit the profile for the types of trades or investments that you can make money on.

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00:21:36.810 --> 00:21:39.459

Dan Fitzpatrick: And there aren't that many around.

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00:21:39.570 --> 00:22:04.590

Dan Fitzpatrick: Okay? Well, don't go manufacture them. Don't start using your imagination and stuff. Just go. Okay. Well, there's not that much to do today. It's okay. It's not personal. That's just the way the markets work and the charts are the things that are going to tell you that I've always said this for just a long, long time. You really don't get a vote. You have to just look at the charts, and I remember saying this before, too.



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00:22:04.740 --> 00:22:23.079

Dan Fitzpatrick: you may look at a chart, and you may be a very, very self-confident or overconfident person, and be looking at the market or be looking, be looking at the market and say, Well, the market's stupid like. No, they don't get it. They're wrong.

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00:22:23.180 --> 00:22:34.329

Dan Fitzpatrick: The chart is wrong, but what you're not understanding. If that's kind of the way you're thinking about it is that the market? The chart is strong enough and big enough

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00:22:34.970 --> 00:22:40.160

Dan Fitzpatrick: to define what right and wrong is. It's kind of like.

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00:22:40.350 --> 00:23:07.040

Dan Fitzpatrick: what is it? Facts don't care about your feelings. The charts are the facts. The market is the facts. Your feelings really don't matter unless you're not following rules. And then you're writing stuff all the way down to where you're really in pain. And then this is the nature of charts. There's a maximum amount of pain that the most stubborn traders have.

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00:23:07.230 --> 00:23:18.129

Dan Fitzpatrick: Most people will kind of sell on the way down, one way or another, but there is a certain cadre, a certain cohort of very, very stubborn bulls, we'll say, who

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00:23:18.550 --> 00:23:31.110

Dan Fitzpatrick: are just bound and determined to hold through it, and things go lower and lower and lower, and then at some magical moment in time. Maybe it's a news event. Maybe it's I don't know.

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00:23:31.340 --> 00:23:39.839

Dan Fitzpatrick: The the bird fell off the or flew off the fence whatever. But all of these stubborn people



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00:23:40.050 --> 00:23:43.419

Dan Fitzpatrick: give up the ghost at the same time they're out.

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00:23:44.590 --> 00:24:02.329

Dan Fitzpatrick: That's when the market goes higher you can be in a very, very calm, emotional state if you're not in that group, and the way you avoid being in that group is to not be in that group. And the way you're not in that group is, take your small losses. Step back.

128

00:24:02.490 --> 00:24:20.950

Dan Fitzpatrick: Don't allow for one big loss. And the way I've mentioned that I'm not going to go through the story that I had, but about some guy who said like he couldn't help taking but take big losses. Sure, he's not trading anymore. But the way you avoid taking the big losses. Take smaller ones.

129

00:24:20.950 --> 00:24:32.709

Dan Fitzpatrick: be looking for the loss. Be looking for an excuse to be wrong on a trade. And again, that just comes to your rules. But if you're doing that, and then you're realizing well.

130

00:24:32.870 --> 00:24:35.160

Dan Fitzpatrick: Crap, you know, I've been long on the last

131

00:24:35.290 --> 00:24:43.619

Dan Fitzpatrick: 5 trades or 4 out of 5 or none of my positions are working. Okay? Well, don't double down, you know. Just take the take the hint.

132

00:24:43.840 --> 00:24:50.290

Dan Fitzpatrick: Take the hint that this is not your time. Now, this is

133



00:24:50.560 --> 00:24:55.530

Dan Fitzpatrick: something that doesn't apply today. But if the market is strong

134

00:24:55.780 --> 00:25:13.989

Dan Fitzpatrick: and a lot of things are moving up. But you're still finding that you're not making money, then then you have a different problem. You have a different challenge. But you can fix that, too. Just be aware of what you're doing. Watch my videos and Scott's videos.

135

00:25:14.560 --> 00:25:19.309

Dan Fitzpatrick: I'm I'm a trader, too, and I'm a very emotional person.

136

00:25:19.410 --> 00:25:33.040

Dan Fitzpatrick: So I get the emotions of trading. I've lived the emotions of trading more than I even want to admit, and so I know what it feels like to be emotional in times like this.

137

00:25:33.190 --> 00:25:44.149

Dan Fitzpatrick: But I also know. And this the voice of experience telling you, you don't have to learn this lesson because I'm going to give it to you. And then you could just thank me later.

138

00:25:44.560 --> 00:25:45.830

Dan Fitzpatrick: But

139

00:25:46.360 --> 00:26:01.920

Dan Fitzpatrick: when the market is strong and you are not making money. That's a problem that has to be addressed pretty much immediately. And you say, like, what am I doing? And one of the things we'll look at today is relative strength.

140

00:26:02.670 --> 00:26:07.849



Dan Fitzpatrick: What am I doing wrong? Why am I not making money when for crying out loud? Man

141

00:26:08.760 --> 00:26:23.000

Dan Fitzpatrick: seems like everybody in the trading room is making money, and the reason you're not is, 1st of all, I'm sure you're in the wrong stocks. But second of all, you just need to tighten up your trading. And so we can do this. But just understand that trading.

142

00:26:23.240 --> 00:26:41.449

Dan Fitzpatrick: whether you've got a full-time job or whether you're doing this is the only thing you're doing. Trading is a career. This isn't something that. Oh, I just like to dabble in stocks if you are not willing to put in the work and get the experience of trading you.

143

00:26:41.630 --> 00:26:51.100

Dan Fitzpatrick: You have a magical and unrealistic expectation of making a lot of money, because this is not an easy thing. It's totally doable.

144

00:26:51.290 --> 00:27:03.699

Dan Fitzpatrick: It's your IQ. Doesn't matter. Your education doesn't matter. What matters is what habits you have in your trading, and anybody.

145

00:27:04.530 --> 00:27:16.339

Dan Fitzpatrick: Anybody can develop good habits. Anybody can develop bad habits. Those are things that we have choices over. But what you need to be, what you need to be mindful of is that

146

00:27:16.930 --> 00:27:22.339

Dan Fitzpatrick: your habits, your rules, are what are going to keep you in the game

147

00:27:22.340 --> 00:27:38.820



Dan Fitzpatrick: at the right time, and so when the market's lousy, and you're losing a lot of money. You got to stop that and just accept losing a little bit of money or not making anything, because you're out of the market

148

00:27:38.820 --> 00:28:01.949

Dan Fitzpatrick: when the market's really strong and you're not making very much money. You got to fix your behavior. You still need to be in the market. But you got to be shoring things up and doing things differently. So ideally, we want to make more money on the way up and lose less money on the way down. And you want to. Ultimately, I haven't heard anybody really describe it this way.

149

00:28:01.950 --> 00:28:14.009

Dan Fitzpatrick: You want to be thinking like a Vc. You want to be thinking like a venture capitalist. And what are they doing? They're expecting one or 2 of their investments out of many.

150

00:28:14.010 --> 00:28:39.670

Dan Fitzpatrick: to make them a lot of money to make them enough money to overcome all of their losses. People that invested in like Facebook or alphabet or Google. You know, whatever they invested in that really, really early, they absolutely crushed it. But they have a lot of other investments in other projects that that didn't work worth a damn, and they lost all their money.

151

00:28:39.670 --> 00:28:53.000

Dan Fitzpatrick: But you get you one good Meta, or Google, or Microsoft, or something like that that totally wipes out all of the losses that you've taken by multiples. And so

152

00:28:53.370 --> 00:28:58.150

Dan Fitzpatrick: we need to be kind of thinking like Vcs. And in that vein.

153

00:28:58.330 --> 00:29:13.499

Dan Fitzpatrick: if we don't see any, and they all think they're going to be good investments. That's the thing you're not going to get anybody saying like, Well, you know, I think this is a real crap company, and I don't think they have any prospects at all. They're making fax machines.



154

00:29:14.060 --> 00:29:31.990

Dan Fitzpatrick: You're not going to say. Well, I'll just throw 10 million their way and see what happens. No, you're going to pass on the deal. So trading's the same way. Right now, we just don't see a lot of stuff, but there is some stuff. So we'll get to it. Is this making sense to you guys, you getting what I'm saying?

155

00:29:32.310 --> 00:29:35.119

Dan Fitzpatrick: Are you picking up what I'm throwing down?

156

00:29:35.990 --> 00:29:42.700

Dan Fitzpatrick: Okay, so let's talk about. Let's talk about this stuff.

157

00:29:43.517 --> 00:29:44.349

Dan Fitzpatrick: A little bit.

158

00:29:45.368 --> 00:29:47.519

Dan Fitzpatrick: Where do I have it? Here?

159

00:29:53.630 --> 00:30:01.719

Dan Fitzpatrick: Okay, give me a sec. I just I had a what have I got? I put it should. Okay, there it is. Yeah. Okay, sorry.

160

00:30:02.540 --> 00:30:07.090

Dan Fitzpatrick: Okay. So we want to look at.

161

00:30:07.280 --> 00:30:09.319



Dan Fitzpatrick: We want to look for stocks

162

00:30:10.360 --> 00:30:13.289

Dan Fitzpatrick: that have this relative strength line.

163

00:30:14.850 --> 00:30:15.919

Dan Fitzpatrick: I'm going to do it.

164

00:30:22.760 --> 00:30:25.070

Dan Fitzpatrick: What do I want to do? I can always add it back.

165

00:30:25.730 --> 00:30:27.430

Dan Fitzpatrick: Okay, I want to get rid of that.

166

00:30:27.540 --> 00:30:28.534

Dan Fitzpatrick: Okay,

167

00:30:39.340 --> 00:30:55.869

Dan Fitzpatrick: there, okay, we want to be looking at charts where the relative strength line is going up. Because what this means is that the stock that you're in, and this is just the cues relative to the S. And P. Want to see a flat line. Watch this

168

00:30:55.890 --> 00:31:15.340

Dan Fitzpatrick: boom, but you want to be looking for stocks that have this relative strength line, not going that way, but going this way, because what this relative strength line is telling you is whether this particular stock is outperforming. In this case, the S. And P.



169

00:31:15.340 --> 00:31:26.050

Dan Fitzpatrick: And so you can have, by the way, so you want to. If the S. And P. Is down, you only want to be in stocks that are, that have a rising relative strength line. And frankly.

170

00:31:26.240 --> 00:31:28.889

Dan Fitzpatrick: when the S. And P. Is moving higher.

171

00:31:29.210 --> 00:31:49.060

Dan Fitzpatrick: you want to only be in stocks that have a rising relative strength line, too, because a relative strength line means I would rather be in the stock than in the S. And P. Because I'm making more money. Now, what about when the S. And P. Is going down? Does that mean that

172

00:31:49.180 --> 00:32:03.400

Dan Fitzpatrick: that all of these stocks are going to also have down trending Rs lines. No, because again, it's just relative to the S. And P. 500. So you can have the S. And P. 500 falling.

173

00:32:03.760 --> 00:32:15.550

Dan Fitzpatrick: and you can see a relative strength line on some stock actually rising. And all that means is that the stock that you're in is less crappy than the S. And P.

174

00:32:15.650 --> 00:32:21.760

Dan Fitzpatrick: But ultimately, what we want to be doing is we want to be in stocks

175

00:32:22.520 --> 00:32:40.220

Dan Fitzpatrick: that during these lousy times like this are doing okay, that they're performing well, because the good performers, the stocks that are performing well in this kind of market right now, once the market turns around, and as I see it.



176

00:32:40.220 --> 00:32:54.299

Dan Fitzpatrick: probably going to do that sooner rather than later. But once the market turns around those ones that weren't doing badly, those ones that were outperforming the market are going to be even better, because what they what I mean by

177

00:32:54.930 --> 00:33:07.080

Dan Fitzpatrick: by out what happens when a stock quote outperforms the market. It means that there's not a lot of selling pressure on it, which means that in a lousy environment, in a lousy environment

178

00:33:07.840 --> 00:33:10.099

Dan Fitzpatrick: that stock is not being sold.

179

00:33:10.260 --> 00:33:28.939

Dan Fitzpatrick: And so the last thing that's going to happen is okay in a lousy environment. That stock is not being sold, but then in a good environment. Oh, now they're going to sell the stock, I mean, maybe if it's an asset rotation like from a dividend yielding stock to something else. But so, generally speaking, we just always want to be with the winners.

180

00:33:29.190 --> 00:33:38.140

Dan Fitzpatrick: That's it. Okay. So I want to go through. I'm going to go through some some things here. These are bad stocks, and I want you to be looking at

181

00:33:41.250 --> 00:33:56.199

Dan Fitzpatrick: these look somewhat the same. This is the relative strength versus over the last year versus the S. And p. 500. This just measured on a kind of a shorter term timeframe. But what we want to see are

182

00:33:56.780 --> 00:34:00.370

Dan Fitzpatrick: we want to see lines going up



183

00:34:00.430 --> 00:34:24.999

Dan Fitzpatrick: same thing here. This is what we want to see. But we're not seeing this. Okay, so this is like, good stock, bad stock here, bad stock. You don't want to be in this stock apple. You don't want to be buying this stock here if you're doing it like for a quick trade. That's fine, but if your rule is, I only want to be in stocks that have a good relative strength rating that have a nice uptrend

184

00:34:25.000 --> 00:34:35.329

Dan Fitzpatrick: trending slope. This is not your stock, and you can say, Well, yeah, but it's down so much. I want to pick it up on the cheap. That's fine, and this may be the bottom. All I'm telling you is

185

00:34:35.540 --> 00:34:40.450

Dan Fitzpatrick: historically, this is a downtrending channel.

186

00:34:40.600 --> 00:35:00.949

Dan Fitzpatrick: We'll look at things back here. Okay, this is below all the all the major averages. Okay? Same thing with Amazon. Oh, well, I'm picking up Amazon. Okay, fine. You're trading. And that's okay. That's okay. Buying Amazon. Why, would rather bought it this morning? I almost did. But buying it this morning

187

00:35:01.390 --> 00:35:31.270

Dan Fitzpatrick: you didn't do too well all the way up until the time that you did. But this is the case. So you buy it here at the open, because it's down so much, and then it goes down another 3.2% from the open. Sadly for you. You had your stop at 3%, or you had your stop like underneath here, or something, but on an intraday basis. Fine. You're doing okay, right off the bottom. But this isn't.

188

00:35:31.860 --> 00:35:56.469

Dan Fitzpatrick: I mean, this is really high maintenance hair on fire kind of trading. And I know some of you guys in the trading room. I see you're doing pretty well on this kind of stuff, but I believe you're kind of plinking around, which is, that's the way to do it. You're putting a small amount of money to work while I'm talking about this while I'm thinking about this. This kind of a hammer pattern does.

189



00:35:58.630 --> 00:36:06.120

Dan Fitzpatrick: does kind of lead to more upside here, not upside here just leads to a little more upside. So

190

00:36:08.860 --> 00:36:10.300

Dan Fitzpatrick: excuse me.

191

00:36:10.650 --> 00:36:11.690

Dan Fitzpatrick: So

192

00:36:12.110 --> 00:36:19.490

Dan Fitzpatrick: if you're thinking about selling Amazon because you're in pain, I don't think that's a good strategy. I think you need to be.

193

00:36:19.810 --> 00:36:30.759

Dan Fitzpatrick: You need to be waiting on that. By the way, you see all the activity up here, you don't see any activity down here. Okay, so Google or alphabet, let's go back

194

00:36:30.890 --> 00:36:31.640

Dan Fitzpatrick: here.

195

00:36:31.890 --> 00:36:37.529

Dan Fitzpatrick: Okay. Bad chart, Nvidia. These are all the favorites.

196

00:36:37.790 --> 00:36:44.760

Dan Fitzpatrick: not anymore. Meta, as I mentioned bad chart, Microsoft, bad chart, Jp. Morgan.



197

00:36:44.860 --> 00:37:11.059

Dan Fitzpatrick: Bad chart. Oh, but look, you know, this could be a double bottom. Yeah, but that's not what I'm talking about. I'm talking about good chart, bad chart, bad chart. This is a lower probability trade versus some of those that I'm going to tell you in just a second. Magically, most of them have been on our active trade list. I have rules, too. Okay? So Morgan Stanley, bad chart, Goldman Sachs. Bad chart. Okay.

198

00:37:12.470 --> 00:37:14.680

Dan Fitzpatrick: good chart. T-mobile.

199

00:37:15.070 --> 00:37:18.259

Dan Fitzpatrick: Today. I was just looking at this earlier.

200

00:37:19.191 --> 00:37:22.150

Dan Fitzpatrick: Our all of the stocks.

201

00:37:23.370 --> 00:37:30.930

Dan Fitzpatrick: Oh, we got one. Okay, t-mobile, we're down 5 cents from where we from where we bought.

202

00:37:30.980 --> 00:37:57.089

Dan Fitzpatrick: but I'm still pretty comfortable with the trade I did. I mentioned this in the Option Market Mentor trading room yesterday. I had a bull call spread on T-mobile that I was losing money on, and so I just sold it. And the reason is because this wasn't working the way I had anticipated I bought relatively short term call options, and my expectation was that the stock

203

00:37:57.090 --> 00:38:24.129

Dan Fitzpatrick: would start moving higher like it would start breaking out from here. Okay, well, it didn't do that. And so after a few days, I realized, well, I didn't realize that I just acknowledged, okay, well, I'm wrong on this trade, because it was a timing trade as well as a directional trade, and so I'm wrong on the trade. I'm not going to sit there and try to rationalize staying in the trade. I'm going to look at the P. And L. And I'm down.



204

00:38:24.230 --> 00:38:26.179

Dan Fitzpatrick: I don't know. Like 25,

205

00:38:26.760 --> 00:38:43.169

Dan Fitzpatrick: 29% on that trade which, by the way, this is options, not stocks. And you're trading that way where I know a lot of guys that do really well have 50% stop losses on stuff. I tend to have more like 25.

206

00:38:43.350 --> 00:39:04.409

Dan Fitzpatrick: So that kind of got away from me a little bit, but not that much. But the point is, I saw that I was wrong on the trade. And so I get out right away. I don't change my tactic. I don't change my plan. It's like, Okay, well, I'm wrong on this. That's okay. Let me move on to one that actually works. So we're back here to relative strength. This is a good stock.

207

00:39:05.070 --> 00:39:12.430

Dan Fitzpatrick: this one alignment healthcare, really good stock. By the way, you'll notice these are up today, even

208

00:39:12.980 --> 00:39:18.970

Dan Fitzpatrick: like T-mobile, I think it's down very, very slightly. Oh, maybe it's up today.

209

00:39:19.540 --> 00:39:49.090

Dan Fitzpatrick: Yeah, it's up. But what I want to be looking at today is, how are these stocks doing relative to where they opened up? Do they have clear boxes, clear green boxes. Well, they don't have to be green, they can be red. But do they have clear boxes that are showing that the current price is above the low of the day or the opening price. So we want to see these clear boxes. Right? Okay. So we see it here. We see it here

210

00:39:49.750 --> 00:40:06.549



Dan Fitzpatrick: on alignment. How about this one, Bowhead? This has been drifting sideways for a while, but look at this, this is a good chart. By the way. It hasn't been trading for 200 days, which is, or a year, I should say, which is why you're not. You're not seeing the line

211

00:40:06.900 --> 00:40:15.829

Dan Fitzpatrick: I'm here. But so bowhead good chart, goosehead, good chart this.

212

00:40:16.050 --> 00:40:19.379

Dan Fitzpatrick: Let's look at this, because, as as I see this thing.

213

00:40:21.070 --> 00:40:27.480

Dan Fitzpatrick: if you're long, this stock, you you might may even consider adding to it, today

214

00:40:28.140 --> 00:40:34.410

Dan Fitzpatrick: I would kind of prefer to even see it pull back a little bit, or to see it pop out

215

00:40:34.850 --> 00:40:47.839

Dan Fitzpatrick: above, say, 125. But my, my actual suggestion on something like this is just kind of stand pat with what you have. We're up, almost.

216

00:40:48.530 --> 00:40:54.859

Dan Fitzpatrick: we're up 4.7% on it. So in a really really crappy day in the market.

217

00:40:55.580 --> 00:41:06.260

Dan Fitzpatrick: we're up almost 5% on one of our trades, and we have a few others like this. But I'll move on so American healthcare.



218

00:41:08.080 --> 00:41:11.120

Dan Fitzpatrick: good chart, gold.

219

00:41:11.800 --> 00:41:25.240

Dan Fitzpatrick: good chart like. Look at this relative strength versus the spy, and you see again they're calculated a little bit differently. But so this one gold is fine. By the way, Aem, again.

220

00:41:26.880 --> 00:41:31.240

Dan Fitzpatrick: let's just keep an eye on this. Aem nem

221

00:41:31.710 --> 00:41:39.360

Dan Fitzpatrick: Kgc. I haven't looked at this stock in a while, even here, you know, Barrett, gold is up silver

222

00:41:40.450 --> 00:41:51.319

Dan Fitzpatrick: little bit sloppier, which is why I haven't really been featuring many silver stocks here. You could actually see a little lower, high, relative strength, wise. But then we look at

223

00:41:52.630 --> 00:42:01.310

Dan Fitzpatrick: Merex, good stock, Palomar, great stock

224

00:42:02.160 --> 00:42:07.200

Dan Fitzpatrick: at and T. Good stock Tidewater, good stock.

225

00:42:07.300 --> 00:42:16.330

Dan Fitzpatrick: Hwm. Helmet, good stock. So these are the kinds of stocks that we want to be in. And this is the type of thing that should



226

00:42:16.510 --> 00:42:28.539

Dan Fitzpatrick: it should be a part of your you don't have to develop a screen for it, or anything like that. But it should definitely be part of your analysis. If you're if you're considering buying a stock

227

00:42:29.100 --> 00:42:54.769

Dan Fitzpatrick: 1st of all, know what's your strategy? Is, am I buying this for a longer term position, or am I making a short term trade on this? And the answer to that question has to come before you buy it, because otherwise I guarantee you that you're going to be tempted if you're making a swing trade. But then the stock moves against you. You're going to be tempted to go. Oh, well, I like the company. I'll just turn this into a longer term. Hold!

228

00:42:54.770 --> 00:43:08.390

Dan Fitzpatrick: Don't do that, man. Wall street's littered with the bones of people that have done that. So you have to have your strategy. And then but the one thing you want to look at is relative strength. And the reason is this.

229

00:43:09.180 --> 00:43:23.170

Dan Fitzpatrick: if the relative strength line is moving higher, that tells you that relative to the entire market, the aggressiveness of buyers for that stock is really high.

230

00:43:23.540 --> 00:43:40.540

Dan Fitzpatrick: Okay. On the other hand, if it's low, if the relative strength line is low, then the aggressive, the direction, not where it is here. But then, if the direction is downward, then that tells you that the aggressiveness of sellers

231

00:43:40.920 --> 00:43:50.670

Dan Fitzpatrick: is higher than in the market in general. So is this making sense to you guys? And so I'm gonna

232

00:43:52.320 --> 00:44:02.310



Dan Fitzpatrick: I'm going to run through our active trade list here, and then we'll get to some some questions here. Okay, so

233

00:44:02.620 --> 00:44:09.319

Dan Fitzpatrick: American healthcare. We put this on at 30 91. So we'll kind of

234

00:44:09.920 --> 00:44:34.699

Dan Fitzpatrick: just about top ticked it here. You know, it happens a lot of times I'll look at a stock that I think. Oh, okay, that's popping out, and then it does all the way up until it doesn't, and then it pulls back as we're seeing here. But that doesn't mean the trade doesn't work. It just means that maybe it's got a little bit more work to do before it gets up. But on something like this

235

00:44:35.420 --> 00:44:45.730

Dan Fitzpatrick: I wasn't looking at this as kind of a short term swing trade or something. I'm looking at this as again, like this thing is outperforming.

236

00:44:45.860 --> 00:45:10.599

Dan Fitzpatrick: it's outperforming the market. And so I'm just looking at it as more of a longer term position. The fundamentals are really good on this. And then again, T-mobile, we're down. Well, we're up on it a little bit now. 2, 7, 8, 9. Yeah, we're up slightly on it, but not enough to brag about Bowhead. We're up a little bit on that

237

00:45:10.600 --> 00:45:16.990

Dan Fitzpatrick: in in this kind of market. I look it up as a victory. So

238

00:45:17.220 --> 00:45:19.990

Dan Fitzpatrick: I do, you know. Now, goose, head

239

00:45:20.410 --> 00:45:45.110



Dan Fitzpatrick: again, this is looking. This is looking pretty solid here. It gapped down to open right at yesterday's opening, and then it's rallying up. So this 1, 24 level, or maybe it's yeah. 1, 24, 1, 25 is looking like it could be a really really good pivot point. You just got to be patient. And then alignment's fine

240

00:45:45.150 --> 00:45:54.899

Dan Fitzpatrick: and gold is fine, too. We're up about 5%, something like that on this. So with that, said.

241

00:45:54.970 --> 00:46:22.440

Dan Fitzpatrick: Let's let's go to some questions here. So Mitch, can you recommend any dividend paying stocks? You know I really can. I haven't been looking at dividends. I haven't really been looking at dividends for a while, and so I'm not even going to start rummaging around here, I can just say, no, I don't have any. It's not really where I'm oriented right now, but I can. I can take a look.

242

00:46:22.440 --> 00:46:30.760

Dan Fitzpatrick: I can do a little research on that. So but can't do anything today. But it's a good question. It's a good way to think.

243

00:46:30.860 --> 00:46:38.289

Dan Fitzpatrick: Okay, at what point. Would you look at reducing risk in your retirement funds?

244

00:46:39.200 --> 00:46:58.140

Dan Fitzpatrick: Yeah, there's no tax considerations in that. That's the kind of thing where I think again, you'd want to have. You'd want to have your plan, your your plan in place. I don't think there's any magic number. I would just say that you don't want.

245

00:46:58.440 --> 00:47:05.710

Dan Fitzpatrick: You don't want to see the account value of your retirement funds fall 20%

246

00:47:06.060 --> 00:47:09.450



Dan Fitzpatrick: in any given market correction, because

247

00:47:09.600 --> 00:47:22.810

Dan Fitzpatrick: now you got to make 25% just to get it back, and that you know that that can be a year and a half or 2 years. So you don't want to see that happen. But

248

00:47:23.430 --> 00:47:31.110

Dan Fitzpatrick: to be looking at locking in your account at a 5% loss or something like that.

249

00:47:31.830 --> 00:47:39.699

Dan Fitzpatrick: that's you're going to wind up, being out of the market a lot. So my suggestion would be to just have

250

00:47:40.170 --> 00:47:47.239

Dan Fitzpatrick: to have scales or graduated exposure, reducing.

251

00:47:49.270 --> 00:48:00.190

Dan Fitzpatrick: or whatever where. Maybe, if your account's down. And I because I can't talk about individual stocks. But maybe if your account's down, you're fully invested.

252

00:48:00.850 --> 00:48:07.370

Dan Fitzpatrick: and then your accounts down 10% or 8% you take like

253

00:48:08.410 --> 00:48:33.959

Dan Fitzpatrick: 25% off or 20% off. But you take a fraction off, and then, as the market moves lower, and if your account is losing more and more. Then you're gradually selling a little bit here and there until and then, as of course, the market moves lower, you have less risk. You've taken it. You've taken more off the table. But again, it really just depends on what your



254

00:48:34.160 --> 00:48:43.340

Dan Fitzpatrick: what stocks are that you're holding, and all my suggestion on that would be, look if the markets really.

255

00:48:44.060 --> 00:49:01.149

Dan Fitzpatrick: if it's really starting to behave badly like it is here in a retirement account, I would absolutely be looking at all my positions and saying, No way am I going to hold a stock that's below the 200 day moving average? If institutions don't want that piece of crap.

256

00:49:01.150 --> 00:49:18.170

Dan Fitzpatrick: I don't want that piece of crap, either. I'm not going to sit around here and wait for the stock to start running higher, so I can acknowledge that I'm right for all I know, since it's in my damn retirement account. My kids are going to thank me for that or not. And so

257

00:49:18.270 --> 00:49:28.437

Dan Fitzpatrick: individual, I would just do be doing that really, and have individual rules for for holding stocks in a retirement account. So

258

00:49:30.790 --> 00:49:33.936

Dan Fitzpatrick: that's all. That's really all I could say.

259

00:49:35.567 --> 00:49:38.962

Dan Fitzpatrick: what's okay? Yeah, this is a good question, Jimmy.

260

00:49:39.760 --> 00:49:50.610

Dan Fitzpatrick: risk reward factor is like one for 3. Yeah, I'd love to be making 3 bucks for every dollar that I risk. What's my risk reward for a day trade.



261

00:49:50.720 --> 00:49:52.810

Dan Fitzpatrick: That's a really good question.

262

00:49:53.090 --> 00:50:01.960

Dan Fitzpatrick: I think you you should still be shooting, for that you should still be shooting, for that is a 1 to 3.

263

00:50:02.040 --> 00:50:23.209

Dan Fitzpatrick: Hopefully, even more than that. But the way you do. That is different. The way that you do that is to be buying very, very precise in day trading so that your stop is really really tight like. Let's say you're trading on a 1 min or a 5 min bar chart. And

264

00:50:27.500 --> 00:50:28.210

Dan Fitzpatrick: well.

265

00:50:32.580 --> 00:50:37.349

Dan Fitzpatrick: let me see, I'm just trying to see something here. This is a probably a bad

266

00:50:38.860 --> 00:50:42.110

Dan Fitzpatrick: okay, so let's say it's a 5 min chart.

267

00:50:42.250 --> 00:50:52.190

Dan Fitzpatrick: and let's say you're trading on a 5 min bar chart, and you go all right. Well, so I want to buy, not the 1st bar, but the second bar. If the

268

00:50:52.380 --> 00:51:02.420



Dan Fitzpatrick: if the stock is higher than the opening bar. Then I'm going to go ahead and buy that stock and take it for a day trade and make some money on it. So in that case.

269

00:51:07.900 --> 00:51:21.489

Dan Fitzpatrick: okay. In that case you're seeing here. And then you look at this and let's say it didn't do this. But let's say that this high here of 5, 47, 86,

270

00:51:22.410 --> 00:51:37.879

Dan Fitzpatrick: the high. Here was 547, 97, let's say the high. Here was 547, 98. In other words, it ticked above this. And you said, Okay, I'm in. I'm going to go ahead and buy this right now. All right. So what's your risk.

271

00:51:38.030 --> 00:51:46.510

Dan Fitzpatrick: You decide that your risk is if this pulls back below the open like the opening print

272

00:51:46.650 --> 00:51:55.420

Dan Fitzpatrick: of 5, 45, 0, 7, then then I'm I'm going to be stopped out. That's the deal. So you've got

273

00:51:55.630 --> 00:51:57.349

Dan Fitzpatrick: you're buying up here.

274

00:51:58.250 --> 00:52:08.259

Dan Fitzpatrick: You're selling like down here, and you're risking about half a percent. And so what you're looking. And so crap, you know, I lost money.

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00:52:08.540 --> 00:52:09.840

Dan Fitzpatrick: Okay? So



276

00:52:10.390 --> 00:52:34.289

Dan Fitzpatrick: right there, you're kind of out of it. You'd have been out before for various reasons. But I'm not talking about that now. But so you're out of this trade. You've taken a little bit of a risk. But let's say this worked, and the S. And P. Starts rallying up. Okay, well, if it's up to 5, 53, now, you've made a 2 r like you've made 1%. You've only risked a half percent. If it goes up here

277

00:52:35.720 --> 00:52:47.889

Dan Fitzpatrick: to 5, 56. Now you're at 3 r, you made one and a half percent for a 50% risk. So let's say, 556, 37. Okay, could it do that?

278

00:52:49.460 --> 00:53:00.149

Dan Fitzpatrick: Probably not likely today. But and like, I said. I just had this chart up here, so I'm kind of framing it so you can see my point. But if you're looking at

279

00:53:04.500 --> 00:53:06.080

Dan Fitzpatrick: like if here

280

00:53:06.800 --> 00:53:28.199

Dan Fitzpatrick: when I get to present day. Like, if you're looking at Netflix, it could be a similar thing, even if you're doing the same strategy that I just talked about, which would not be the best on a day like today. But you're buying here. Okay? So your risk, you're taking a 1 and a half percent risk here. But you're buying here. And what are you making?

281

00:53:28.210 --> 00:53:39.839

Dan Fitzpatrick: Just on a nice smooth move? You're making over 2%. If you theoretically sold right at the top. So that's really the

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00:53:40.490 --> 00:53:59.239



Dan Fitzpatrick: that's kind of the real world example of it. On day trading you got to be a lot more precise, which means your stops can be really, really tight. And if you have a good strategy and I teach this in the 59 min trader. But if you've got a good day trading strategy. The odds are really in your favor.

283

00:53:59.270 --> 00:54:26.740

Dan Fitzpatrick: You really put the odds in your favor because you have a specific short term right here right now, set up. That has been proven to work most of the time, not all the time, but most of the time, and in that case you can. It's like betting on Secretariat every time. You can't bet on Secretariat now, because he's dead, but it's like betting on the best racehorse in the world every time

284

00:54:26.790 --> 00:54:33.239

Dan Fitzpatrick: they he races, and most of the time you're going to win. But sometimes you're not.

285

00:54:33.480 --> 00:54:49.839

Dan Fitzpatrick: And so day trading is kind of like that. Actually, any kind of trading is like that. Because this is why we develop our rules. We develop our rules for just this type of thing. We want to put the odds on our side.

286

00:54:50.550 --> 00:54:59.027

Dan Fitzpatrick: So oh, Chris, you're Captain Chrissy, baby

287

00:54:59.790 --> 00:55:18.189

Dan Fitzpatrick: I'm almost 5 years into my covered call strategy, and it's still working bigly. Yeah, Chris, does this covered call strategy on fairly lower priced stocks, although I don't know if they have to be. But he does this covered call strategy where he'll sell.

288

00:55:18.590 --> 00:55:32.469

Dan Fitzpatrick: buy a stock, sell an upside call, I think, sometimes even at the money call, and then, if he gets called out, Thank you very much. I'll take the money, take the profit, and then I'll go look to do it again, or he might sell a put

289



00:55:32.700 --> 00:55:48.410

Dan Fitzpatrick: for income, and then, if the stock gets put to him fine, takes the stock. Now he starts selling, calls against it, but the the whole structure really starts with buying a good stock and then just trading around. But so, Chris.

290

00:55:48.620 --> 00:55:55.560

Dan Fitzpatrick: what's he talking about? That's his strategy. He has a specific strategy

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00:55:55.880 --> 00:56:11.819

Dan Fitzpatrick: for how he's trading. And it's working really, really well for him. And so this is what you need to be doing things like that. So okay, let me move on. So looking at Greg.

292

00:56:13.040 --> 00:56:23.419

Dan Fitzpatrick: looking at this, yeah, the bear etf on the 1 min chart. How do you enter when it's really running? Well, you want to actually already be in when it's running. But on a

293

00:56:32.080 --> 00:56:36.539

Dan Fitzpatrick: okay, well, so this this isn't running.

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00:56:37.670 --> 00:56:39.499

Dan Fitzpatrick: I don't know what happened there.

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00:56:40.300 --> 00:56:48.060

Dan Fitzpatrick: But did somebody say, well, we're not going to be tariffing, or whatever, but on something like this it's kind of

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00:56:48.280 --> 00:56:51.309



Dan Fitzpatrick: I I don't think I mean on a

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00:56:51.690 --> 00:57:08.900

Dan Fitzpatrick: on a 1 min chart. I haven't seen anything here on a 5 min chart. This would be my preferred thing. Where? If this, if it breaks out again above here, that's when you're in right there, because you know that the selling for the Semis

298

00:57:09.190 --> 00:57:15.660

Dan Fitzpatrick: has really kind of just started. And then you're going to be making a lot of money here. That's kind of the best I can.

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00:57:16.010 --> 00:57:19.729

Dan Fitzpatrick: It's the best I can do in this in this venue. Greg.

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00:57:23.960 --> 00:57:28.579

Dan Fitzpatrick: okay, Richard, yeah, I appreciate your sentiment.

301

00:57:28.790 --> 00:57:45.319

Dan Fitzpatrick: I'm glad you're getting a lot glad you're getting a lot out of this. What do we do when a move like this happens after hours or in the pre-market. You shouldn't. You should not be holding stops when the market is.

302

00:57:45.740 --> 00:57:55.150

Dan Fitzpatrick: You shouldn't be. You shouldn't be holding stops into the open. If the market's going to gap down a lot because you could. Very well, just

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00:57:55.410 --> 00:58:12.020



Dan Fitzpatrick: you're not going to get a good fill period, you just won't. And so what you want to be doing then, is lifting your stops and then wait to see what happens, and then you either sell a position or not, but as far as after hours trading.

304

00:58:12.070 --> 00:58:26.170

Dan Fitzpatrick: I can't even coach you on that every once in a while I do it, but it's kind of a hit and miss thing sometimes sometimes it works, sometimes it doesn't. But I will tell you this if I'm if I'm buying.

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00:58:26.290 --> 00:58:52.690

Dan Fitzpatrick: If I'm in one of those weird moods where I'm buying a stock after market because of whatever either it's down a lot or it's up a lot, or whatever the case may be. I'm very, very rarely going to hold that overnight. I know some of you guys do. I see you're making money on all these trades. What I kind of wonder sometimes is okay. Are you only posting the ones that you win, but

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00:58:56.330 --> 00:58:58.209

Dan Fitzpatrick: buying after hours

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00:58:58.340 --> 00:59:07.809

Dan Fitzpatrick: and holding overnight? It just puts you in a lot of risk. It just gives you a lot of risk. So so I wouldn't. I wouldn't be doing that. I think

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00:59:08.280 --> 00:59:21.049

Dan Fitzpatrick: I think trading after hours, either pre-market or post-market. I just think that's a really really risky thing to do and taking risks. Sometimes it works. Sometimes it doesn't. But

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00:59:21.280 --> 00:59:23.969

Dan Fitzpatrick: you know, that's what that's what I think.

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00:59:24.070 --> 00:59:27.759



Dan Fitzpatrick: So, okay, Randall. As far as a bottom.

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00:59:35.070 --> 00:59:36.570

Dan Fitzpatrick: I can ditch all these.

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00:59:36.920 --> 00:59:39.449

Dan Fitzpatrick: Okay, as far as the bottom goes.

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00:59:39.690 --> 00:59:42.030

Dan Fitzpatrick: I don't think we've hit the bottom here.

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00:59:45.090 --> 00:59:49.727

Dan Fitzpatrick: I think we can go, you know. I think we can go lower.

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00:59:51.150 --> 00:59:56.950

Dan Fitzpatrick: It wouldn't surprise me to see a little bit of a snap back here when we find that somebody's

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00:59:57.440 --> 01:00:04.430

Dan Fitzpatrick: I don't know. Some random country that we don't know about has decided to to drop their tariffs.

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01:00:04.610 --> 01:00:12.820

Dan Fitzpatrick: which means that we can buy their like 1 million dollars of products that they sell us every decade. I don't know

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01:00:13.790 --> 01:00:23.820



Dan Fitzpatrick: something like that. I'm sure we'll see some kind of news flow. However, this market's been on the decline for quite a while. What I don't see

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01:00:24.330 --> 01:00:27.180

Dan Fitzpatrick: is this.

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01:00:27.560 --> 01:00:35.619

Dan Fitzpatrick: it seems to me like we'll get a we'll get more selling that, or at least not enough buying

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01:00:35.830 --> 01:00:46.240

Dan Fitzpatrick: to really soak up all these unhappy shareholders who want to ditch their stock. But they just didn't sell down here. So my suspicion is

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01:00:47.120 --> 01:00:49.160

Dan Fitzpatrick: we could see this kind of thing

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01:00:52.510 --> 01:00:55.839

Dan Fitzpatrick: wouldn't surprise me if this was just for a

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01:00:56.270 --> 01:01:04.999

Dan Fitzpatrick: a couple weeks, maybe a month, and then we start running higher again. I don't think we're going to get the fauci

325

01:01:06.040 --> 01:01:14.490

Dan Fitzpatrick: spike like that. I don't really see that I don't really see that happening, but

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01:01:14.860 --> 01:01:17.890

Dan Fitzpatrick: you know it's hard to hard to say

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01:01:18.600 --> 01:01:33.420

Dan Fitzpatrick: it really, just we just have to watch the charts. I can't even seriously, I can't even say that. Well, if this happens with the tariffs or this or that, I think that's for people that are on TV

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01:01:34.040 --> 01:02:01.230

Dan Fitzpatrick: talking about that kind of stuff. I think we just need to look at the charts. Let the charts tell us when things are good to be getting back into again, because know that people people that are on TV, whether it's me or well, I'm probably a little bit different. But most people that are on TV, you know, they're talking about the here and now this is what's going on blah blah, or they're talking about stuff

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01:02:01.230 --> 01:02:27.530

Dan Fitzpatrick: that is going to be in the future. But it's really either a promise of good things, if you like. What's going on, or if you're on the right political side, or a promise of Armageddon, and horrible things if you're against that thing. But those things are just people trying to discount the future into what's happening today. Okay, fine. That's what the market does, too. But who's wiser?

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01:02:27.530 --> 01:02:44.270

Dan Fitzpatrick: You or the market? The guy on TV or the market, as I mentioned a while ago, the market is so darn strong that the market gets to dictate what's correct and what's not correct. So we want to look at the market as a discounter, as the

331

01:02:44.270 --> 01:02:58.359

Dan Fitzpatrick: the expert in discounting future occurrences, future economic conditions and things like that. So we just want to pay attention to the charts. And when we see stock like stuff like

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01:02:58.490 --> 01:03:03.609

Dan Fitzpatrick: like, let's say you got a big position. Let's say you happen to have a big position in Goose Head



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01:03:04.480 --> 01:03:18.709

Dan Fitzpatrick: is today really bothering you at all, you're up. Almost 2% just from yesterday. Today's not really bothering you. You're good. On the other hand, if you're on some stock, if you're in a got a big position in Amazon.

334

01:03:18.850 --> 01:03:36.170

Dan Fitzpatrick: Now, you're not really happy. You're down 7 and a half percent. And so it really, just everything just kind of depends on what you're into, and that gets back to what I'm saying. You want to have rules that only keep you in good stocks and keep you out of bad ones. So

335

01:03:36.370 --> 01:03:41.279

Dan Fitzpatrick: okay, gee whiz, yep at. And T is still good.

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01:03:41.880 --> 01:03:49.340

Dan Fitzpatrick: and yeah. Jan. 2138. Peter, I miss him, too. Brother. Okay, a few more. Here.

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01:03:50.720 --> 01:03:51.595

Dan Fitzpatrick: Duke.

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01:03:56.970 --> 01:04:05.890

Dan Fitzpatrick: what do I think about Duke? Yeah, I mean, you're right. It kind of like doesn't have that look. But I will tell you this. Utilities have been

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01:04:06.170 --> 01:04:18.950

Dan Fitzpatrick: have been working really well, what I'd suggest doing if you want to buy this stock. Okay, but just give it a few days. It's up at the top of the Channel here. Wait to get it



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01:04:18.950 --> 01:04:40.439

Dan Fitzpatrick: on a few down days closer to the 8 day moving average. If that's what you're looking to do, you can see it's just it's up at this, these extreme levels to where the best thing to do historically, on something like this. Just kind of let it settle in. But other than that, look stocks up in the winter circle. It's where you want it to be

341

01:04:41.366 --> 01:04:42.213

Dan Fitzpatrick: so

342

01:04:43.410 --> 01:04:52.689

Dan Fitzpatrick: let's see, the pattern is strangely looking to set up like the 2223, 3 legs down market.

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01:04:54.640 --> 01:04:57.457

Dan Fitzpatrick: Yeah, I mean, it could very well be

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01:05:00.870 --> 01:05:11.549

Dan Fitzpatrick: it could very well be. We are really. We've gone a long way, and I've mentioned this several times. We've gone up more than 20% for

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01:05:11.840 --> 01:05:16.300

Dan Fitzpatrick: for the last 2 years. And so it's kind of

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01:05:16.990 --> 01:05:34.919

Dan Fitzpatrick: it's reasonable to expect the market to correct. But I would really really caution you in not in getting too complacent, because it's fine to say, you know, hey? Well, you know, we're down over 10%. We're due for a bounce.

347



01:05:35.520 --> 01:05:41.960

Dan Fitzpatrick: Don't think that the don't think that the S. And P. Can't correct down to here, which is just this high.

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01:05:42.170 --> 01:05:48.870

Dan Fitzpatrick: Don't think it can't correct down to here. That's almost 15%. Don't think it can't correct down to here.

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01:05:49.240 --> 01:05:58.520

Dan Fitzpatrick: Okay, that's 25%. Oh, it could never go that far. Why? Because it was up here. Well, maybe this was all ridiculousness here.

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01:05:58.910 --> 01:06:01.839

Dan Fitzpatrick: Okay, but it was just back here

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01:06:01.990 --> 01:06:07.819

Dan Fitzpatrick: in 2023. That's unless you're trying to hold your breath. That's not that long ago.

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01:06:07.880 --> 01:06:37.429

Dan Fitzpatrick: 2023 is a blink of an eye in the investing world, so don't think that we can't fall all the way back down here. Don't think that we can't retrace all of this stuff. 25%. There's a lot of big changes in our economy. All the stuff that they're doing with the dreaded doge and all that that's impacting the jobs market and all that kind of jazz.

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01:06:38.090 --> 01:06:52.729

Dan Fitzpatrick: This can all it can all ultimately turn out to be a really really good thing, and we go blast off. Okay. But in the short run, in the short run the market could also be looking at it and saying, Hey, yay! You know this is great.

354

01:06:52.730 --> 01:07:15.320



Dan Fitzpatrick: and then stocks start going up again, or the market the strongest, the biggest dog on the porch. The market can be looking at this and saying like, Well, short term out the next 6 months or so, which is really all we project. This is really bad. Numbers. Earnings are going to be coming in bad. The guidance is going to be horrible because these Ceos are going to go.

355

01:07:15.360 --> 01:07:24.810

Dan Fitzpatrick: I don't know. I don't know what's going to happen, and so they're lowering guidance. Earnings are coming in, and then the investing world is going. Well, wait a minute.

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01:07:24.940 --> 01:07:33.530

Dan Fitzpatrick: We're paying for growth, not shrinkage. And so, if I'm getting the sense that such and such a company is not growing.

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01:07:34.730 --> 01:07:36.669

Dan Fitzpatrick: I don't want to be in that stock.

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01:07:37.200 --> 01:07:59.499

Dan Fitzpatrick: and that's going to put downward pressure on the market, you know. So there's just there's a lot of things that are. There's a lot of dynamics that are playing out in this market. And it's just really important for us to like, I said. Just be a willow sway with the wind. Don't try to buck the trend, because if you do.

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01:08:01.200 --> 01:08:02.060

Dan Fitzpatrick: hey?

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01:08:02.470 --> 01:08:04.470

Dan Fitzpatrick: I got a million analogies.

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01:08:04.670 --> 01:08:23.459



Dan Fitzpatrick: Think about being a cowboy in Wyoming, and you've got to bring the herd in. You've got to put the herd into the pen, or whatever the case may be, and you're the only guy out there, and you lose your horse. So now you're standing on the grass waving your cowboy hat, trying to get the herd

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01:08:23.460 --> 01:08:34.680

Dan Fitzpatrick: to go this way, to go over to your right, and all the herd knows is they're coming straight ahead. Are you going to stand there continuing to wave your hat

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01:08:34.779 --> 01:08:43.610

Dan Fitzpatrick: and get run over? Or are you going to kind of stand aside and say, you know what this crap isn't worth my while? No, thank you.

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01:08:43.899 --> 01:08:47.589

Dan Fitzpatrick: It's a bad day at the office if you're sitting there trying to

365

01:08:47.810 --> 01:08:56.459

Dan Fitzpatrick: heard a herd some in some direction that it doesn't want to go in. And so you're better off to just kind of stand aside and say.

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01:08:56.710 --> 01:09:08.389

Dan Fitzpatrick: I'll let somebody else figure out this crap. I'm not going anywhere near that. And so that's kind of where we are. That's kind of where we are right now, guys. So anyway, so

367

01:09:09.270 --> 01:09:14.459

Dan Fitzpatrick: how are we doing? Everybody? Okay, you guys doing all right? Cause I really

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01:09:16.090 --> 01:09:34.630



Dan Fitzpatrick: you know I really. I talked to Scott earlier, and I said, Hey, do you want to switch? Because Scott usually does Thursdays? And so I just thought, Well, I'll come in and have kind of a special early strategy session, and then Scott can handle it tomorrow. But

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01:09:34.770 --> 01:09:35.729

Dan Fitzpatrick: just

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01:09:35.960 --> 01:09:42.110

Dan Fitzpatrick: like I said. And, by the way, if you're really upside down, let's say you, you really got caught or something.

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01:09:42.810 --> 01:09:49.360

Dan Fitzpatrick: There's nothing you can do about the past. But what you can do is say, Okay, teachable moment.

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01:09:50.890 --> 01:10:13.079

Dan Fitzpatrick: I have an opportunity to grow here. This is an expensive lesson, but the only way it could be even more expensive is if I don't learn it. And so you want to learn the lessons that are available to you to be learned, and then just resolve to trade better. It's okay. This isn't personal.

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01:10:14.001 --> 01:10:17.790

Dan Fitzpatrick: It's just. It's just trading. And

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01:10:17.890 --> 01:10:26.039

Dan Fitzpatrick: your rules are what are going to keep you out of trouble. And you can become a better trader right now

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01:10:26.450 --> 01:10:39.070

Dan Fitzpatrick: by just simply sitting down and crafting some rules that work for you. And okay, here are some



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01:10:40.890 --> 01:11:08.120

Dan Fitzpatrick: stock must be above the 200 day moving average 50 day moving average must be above the 200 day moving average. Both moving averages must be drifting higher. Whatever stock I'm looking at the relative strength line must be moving higher. By the way, if it's not, why are you looking at that stock just by the S. And P. Be done with it like, don't don't look at a stock that's got a downward trending relative strength line.

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01:11:08.300 --> 01:11:15.010

Dan Fitzpatrick: It's it's stupid. Seriously. If you're day trading something fine, do whatever you want to do, but

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01:11:15.260 --> 01:11:38.660

Dan Fitzpatrick: don't look at stocks that have downward resistance lines. Because if you're saying like, Yeah, but, man, I got to trade something by the S. And P. You'll do better by definition. That's what the indicator's telling you about. But back on track so uptrending 50 and 200 day moving averages 50 is above the 200 relative strength line is running higher.

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01:11:38.850 --> 01:11:59.899

Dan Fitzpatrick: Now you have a bona fide trend. Now does the stock have? Does the price have to be above the 50? Not necessarily, because sometimes when the price comes back, it's in an uptrending stock. Otherwise you wouldn't have the moving averages going that way, but when a stock pulls back a lot of times it will pull back

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01:12:00.000 --> 01:12:26.399

Dan Fitzpatrick: to the 50 day moving average, and sometimes either undercut it, and you'll get kind of the slingshot pattern where the stock like this is the 50 day moving average, and the stock comes down below it, and then snaps back above, and you're off to the races. So the price relative to the 50 it just needs to be close. But what I'm saying is, if you're creating some kind of a scanner screen where the price must be above the 50,

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01:12:26.400 --> 01:12:37.130

Dan Fitzpatrick: you may find yourself getting missing a lot of good trends. Okay, so, but those are just 3 general rules. And then another rule



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01:12:37.460 --> 01:12:53.329

Dan Fitzpatrick: is, the stock must be within 15% of its 52 week high, not all time high. Just has to be within 15% of its 52 week high, and it must be above

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01:12:53.640 --> 01:13:00.539

Dan Fitzpatrick: 15% more than 15% above its 52 week low.

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01:13:00.690 --> 01:13:05.320

Dan Fitzpatrick: Like, seriously, if those are your

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01:13:05.610 --> 01:13:10.799

Dan Fitzpatrick: rules, just those like you're never going to violate those rules.

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01:13:11.130 --> 01:13:22.729

Dan Fitzpatrick: Everything else is just nuance like oh, it has to be in a certain congestion. It's got to be a head and shoulder pattern. It's got to be this. I got to see a volatility squeeze Bollinger bands and the

387

01:13:22.730 --> 01:13:45.080

Dan Fitzpatrick: right? Yeah, I get it. There's way more rules than what I just mentioned to you. However, just these general off the top of my head. Rules will absolutely keep you out of trouble. Oh, and then your other rules with respect to risk. Okay, this is one that Jim Ropel uses. I don't know if he uses on all his stocks. I hope he doesn't, but he might.

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01:13:45.180 --> 01:13:48.089

Dan Fitzpatrick: He separates his positions into thirds

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01:13:48.970 --> 01:13:51.149

Dan Fitzpatrick: from where he buys the stock.

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01:13:51.250 --> 01:14:17.779

Dan Fitzpatrick: If the stock goes down 3%, he sells a 3rd. If it goes down another, if it goes down to 5% loss, he sells another 3rd and if it goes down to 7% loss, he sells the remaining position. So in that simple sell a 3rd at 3% sell another 3rd at 5, sell another 3rd at 7% loss. What he has done is he's locked in a worst case scenario of 5% losses.

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01:14:17.880 --> 01:14:19.430

Dan Fitzpatrick: and if

392

01:14:19.450 --> 01:14:42.909

Dan Fitzpatrick: he's got a loss of 5%, that means that in order to get back to where he was before, he has to have a profit of like 5 and a half percent, which is totally doable. So just something like that, you have a simple risk management for stops, trend management for selecting stocks, and then you could go into more detail

393

01:14:42.910 --> 01:14:52.850

Dan Fitzpatrick: with marketSmith and stuff like that. And I have stockwatch. I'm still kind of refining a few things, but that's all designed to give you

394

01:14:53.870 --> 01:15:08.389

Dan Fitzpatrick: basically to implement these rules that I just talked about like, literally, if you look at a, you look at a stock on one of my lists, and you see exactly what the parameters are, and it takes a lot of guesswork out.

395

01:15:08.450 --> 01:15:28.989

Dan Fitzpatrick: You don't have to be. Get well, hey, what about this whatever? No, it's like. If you if it's on the list, then it fits the profile. If it's not on the list. For one reason or another, it doesn't fit the profile. It might be an awesome stock, but for whatever reason, it's not on that list. So your idea, like the whole reason

396



01:15:29.640 --> 01:15:40.810

Dan Fitzpatrick: for developing these rules certainly is to make money on the positions that you have, but also to get rid of all the crap. Like to clear out all the crap.

397

01:15:41.570 --> 01:15:48.200

Dan Fitzpatrick: There's over 6,000 stocks in the market. All you're looking for is one or 2

398

01:15:48.350 --> 01:15:53.749

Dan Fitzpatrick: on any given day. You know, you're looking to build an account of profitability.

399

01:15:54.370 --> 01:16:17.750

Dan Fitzpatrick: Buy the Wilshire 5,000, if you can't choose, but otherwise you're looking to sift through all the crap. Get that out of there, find a short list of candidates that work that fit your rules, and then just go from there. Guys, if you just do that kind of thing you're gonna do, you're gonna do? Well, you're gonna struggle

400

01:16:18.000 --> 01:16:24.910

Dan Fitzpatrick: when the market sucks. And then over time, you're going to realize that after a while

401

01:16:25.220 --> 01:16:34.559

Dan Fitzpatrick: you're really not struggling because you're you're able to pick up like, you know, this isn't. This isn't a good time to betray. Do you know what I did today.

402

01:16:36.230 --> 01:16:38.380

Dan Fitzpatrick: I checked my positions.

403

01:16:39.640 --> 01:16:41.059

Dan Fitzpatrick: I didn't do anything.



404

01:16:41.250 --> 01:17:02.009

Dan Fitzpatrick: I just checked my positions and they were all going. Okay. I didn't know I did. I removed one stop at the open or before the open. But the only reason I did that was because I was concerned that there might be. It wasn't a real liquid it was that bowhead, and what I was concerned about was, you know, maybe there's going to be a

405

01:17:02.120 --> 01:17:12.030

Dan Fitzpatrick: a tick down and I get stopped out, and then the stock goes the other way. I think if I'm not mistaken and I did ultimately sell it.

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01:17:13.230 --> 01:17:15.850

Dan Fitzpatrick: Since I talked about it, I'll I'll show it.

407

01:17:21.450 --> 01:17:26.469

Dan Fitzpatrick: Let me find my my share screen thing.

408

01:17:35.500 --> 01:17:40.419

Dan Fitzpatrick: Okay, yeah, I'm pretty sure I sold it.

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01:17:42.051 --> 01:17:45.910

Dan Fitzpatrick: No, I did not sell it. I

410

01:17:46.230 --> 01:17:57.169

Dan Fitzpatrick: here's the thing you you might you might be, you might be saying, well, you know, you're pretty lackadaisical about like not even being able to remember what you did.

411



01:17:57.400 --> 01:18:06.689

Dan Fitzpatrick: Here's the thing, guys. If you're not emotional about things, if you're just kind of trading, you're trading according to your plan.

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01:18:07.200 --> 01:18:09.750

Dan Fitzpatrick: you shouldn't really be emotional.

413

01:18:10.390 --> 01:18:21.739

Dan Fitzpatrick: You should just be kind of trading according to your plan, and if you've baked in worst case scenario on any given position, and that worst case scenario, while undesirable

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01:18:22.030 --> 01:18:28.829

Dan Fitzpatrick: is is certainly acceptable. You're going to be trading very dispassionately. You're you're not going to be.

415

01:18:29.380 --> 01:18:51.459

Dan Fitzpatrick: It's just going to kind of be a job. But the cool thing is, you can always continue to get better at it, and I don't know about you. But if I have something that I'm really that I really enjoy. Then I will practice and practice and practice until I get really good at it.

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01:18:51.880 --> 01:18:55.869

Dan Fitzpatrick: The here's an example.

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01:18:56.700 --> 01:18:58.440

Dan Fitzpatrick: Right right now

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01:18:58.650 --> 01:19:23.759



Dan Fitzpatrick: that tune by Van Halen, where Eddie Van Halen's actually playing the piano, and then I think he steps over to the guitar. But that piano intro. It's kind of all the way through. The song is really, really flipping tough. It's a really tough thing. I love that song love Van Halen. So I decide I'm gonna learn that Riff

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01:19:24.120 --> 01:19:39.369

Dan Fitzpatrick: took me forever to do it. But I got it now, and now I play it so much that my wife goes into the bedroom and slams the door because she's tired of freaking hearing it. It's the same thing with a couple of songs. By Billy Joel

420

01:19:39.820 --> 01:19:49.329

Dan Fitzpatrick: summer Highland falls, and there's another one as well. Where the piano is particularly complicated. I could play like honesty and piano man all day long.

421

01:19:49.870 --> 01:20:08.340

Dan Fitzpatrick: whatever, but some of the real complicated stuff. I gravitate to hard things because I enjoy getting better at things that I'm attracted to, and that I work that are gratifying to me as I get better at them. That's the way I feel about trading.

422

01:20:08.510 --> 01:20:11.560

Dan Fitzpatrick: I hope you do, too, but

423

01:20:11.960 --> 01:20:29.439

Dan Fitzpatrick: that's the way I feel about trading and trading is a thing that you can. You can get better at, but you can never in my mind, you can never truly master it. I think there's always room for improvement. But what we want to do is we want to get to a point

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01:20:29.960 --> 01:20:39.369

Dan Fitzpatrick: where we're doing well, like we're profitable. We're making. We're making good money. We're we're finding it very rewarding



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01:20:39.570 --> 01:21:01.279

Dan Fitzpatrick: to be doing what we're doing. The money is a consequence of trading well, losing money is a consequence of trading poorly. You're going to lose a little bit. But losing a lot of money is a consequence of your trading behavior both ways. The money, isn't. It shouldn't even really be a goal. Trading well

426

01:21:01.740 --> 01:21:19.019

Dan Fitzpatrick: should be your goal. I want to trade. Well, well, what's trade? Well, mean? Follow your rules. Do all the crap I'm telling you to do. Apply it ruthlessly. It's the law. Obey the law. It's all good. So this is just the way I look at the market, and

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01:21:19.380 --> 01:21:41.559

Dan Fitzpatrick: I'm sure, depending on whatever's going on for the rest of my life. There will be times when I'm really, really, actively trading, and then there'll be other times when maybe, for whatever reason, I'm not trading quite so much as I might like. But that's just called life. So what I'm just urging you to do is

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01:21:42.140 --> 01:21:50.599

Dan Fitzpatrick: try to keep a good perspective. Look at the market in the context of the bigger picture, and you will see that

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01:21:51.150 --> 01:22:07.860

Dan Fitzpatrick: you know this is just part of the market. It's the market. The market goes up, the market goes down happily most of the time it goes up, which is why we're not used to it when the market's going down, which is why we look at it and go. Oh, crap! But if you think.

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01:22:08.070 --> 01:22:10.070

Dan Fitzpatrick: look back in history.

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01:22:10.300 --> 01:22:15.730

Dan Fitzpatrick: The biggest bull markets started after really precipitous declines



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01:22:15.760 --> 01:22:23.150

Dan Fitzpatrick: the biggest opportunities. Even like, I'm talking about 3, 6, 9 month opportunities happened

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01:22:23.150 --> 01:22:46.449

Dan Fitzpatrick: at the end of a big massive decline. So we're in this really, really treacherous market right now. That's not the way it's always going to be. If the market doesn't recover if it just keeps going lower and lower and lower. Trust me, we're going to have more problems than what your 401 K. Is like, okay, the market is going to recover. So we want to be aware of that.

434

01:22:47.580 --> 01:22:50.160

Dan Fitzpatrick: and then just sit and look

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01:22:50.710 --> 01:23:01.080

Dan Fitzpatrick: and look for our opportunities when more stocks start behaving well when the relative strength lines start moving up when breadth starts improving.

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01:23:01.250 --> 01:23:06.339

Dan Fitzpatrick: That's when that's when we can start taking.

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01:23:07.010 --> 01:23:19.230

Dan Fitzpatrick: That's when we can really start pounding away and making good money. Let me. I'm going to show you one thing I'm just going to end. I'm going to end with this. I appreciate. You guys all

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01:23:19.730 --> 01:23:22.079

Dan Fitzpatrick: all hanging in there.



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01:23:23.880 --> 01:23:25.330

Dan Fitzpatrick: Let's see

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01:23:29.820 --> 01:23:35.709

Dan Fitzpatrick: anonymous thanks from your mouth to God's ears, brother, I appreciate that.

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01:23:36.390 --> 01:23:39.190

Dan Fitzpatrick: So let me. I'm going to share my.

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01:23:43.000 --> 01:23:49.719

Dan Fitzpatrick: as you guys can tell, I'm I've been using technology for a long time, but I'm not a techie.

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01:23:50.560 --> 01:23:58.950

Dan Fitzpatrick: I would rather spend my time doing other stuff and just hire somebody to do this crap for me. So here's our breadth. This is what I'm talking about.

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01:23:59.090 --> 01:24:20.520

Dan Fitzpatrick: Okay, breadth down here. When it was at the bottom. The low was 2531 today, 2377 is the low. So this is the worst breath like this is halitosis like you can't believe worst breadth since this big sell-off in November. Think this can't go lower. Well, sure it can. It did back there.

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01:24:20.980 --> 01:24:23.960

Dan Fitzpatrick: Okay? And then that's for the 200.

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01:24:25.860 --> 01:24:29.379

Dan Fitzpatrick: And then the 40 day, the intraday low here



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01:24:30.280 --> 01:24:38.640

Dan Fitzpatrick: is 18.6% of their stocks are above the 40 day moving average back here

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01:24:40.670 --> 01:24:43.740

Dan Fitzpatrick: 16.8%.

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01:24:43.860 --> 01:24:49.500

Dan Fitzpatrick: So we're close to these, we're right at these levels where

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01:24:49.870 --> 01:25:02.229

Dan Fitzpatrick: typically we've seen a rebound. But this is not a timing indicator, it's a condition indicator. And so in these, when conditions are like this.

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01:25:02.560 --> 01:25:19.369

Dan Fitzpatrick: the market tends to give us a nice move to the upside. That's just the way that's why I look at this stuff. And this is much more reliable at extreme downs versus extreme highs. It's much more reliable. Okay, so

452

01:25:19.860 --> 01:25:27.109

Dan Fitzpatrick: okay, I think I've kind of, you know, I feel bad. But I've kind of feel like I've beaten the dead horse.

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01:25:27.370 --> 01:25:29.150

Dan Fitzpatrick: Everybody. Let's see.

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01:25:30.680 --> 01:25:34.820



Dan Fitzpatrick: Okay. You guys, okay, everybody. All right, just kind of

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01:25:35.510 --> 01:25:40.640

Dan Fitzpatrick: let's chill. Tomorrow's a new day. And but oh, but remember, tomorrow's Friday.

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01:25:40.850 --> 01:25:47.489

Dan Fitzpatrick: And so I think, holding the. And, by the way, I appreciate all the I think that

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01:25:48.120 --> 01:25:54.769

Dan Fitzpatrick: I think that there's an extra risk in holding over the weekend. Now, here's the deal.

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01:25:54.880 --> 01:26:02.329

Dan Fitzpatrick: The risk might be in missing a huge upside gap on Monday, because of whatever, or

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01:26:02.840 --> 01:26:30.869

Dan Fitzpatrick: getting in on a huge downside gap when money, managers and institutions have had a time had a chance over the weekend to digest, because all this stuff is hitting midweek. You know that they've had a chance over the weekend, because, you know, they're working Saturdays and Sundays to figure out what's going on, and they may conclude, holy crap, you know, this is worse than we thought, and then there's another big bout of selling.

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01:26:31.280 --> 01:26:48.600

Dan Fitzpatrick: But I will just tell you this when the move and I'm not really looking for this. V. I'm kind of looking for a zigzaggy W that wrings the blood out of everybody, and then we go higher. But I'll just say this. I'll end with this.

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01:26:48.790 --> 01:26:57.420

Dan Fitzpatrick: When the move is the right move, it's going to be really, really obvious. It's going to be very obvious. And you're going to have plenty of time



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01:26:57.700 --> 01:26:59.020

Dan Fitzpatrick: to get in.

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01:26:59.460 --> 01:27:10.169

Dan Fitzpatrick: If it's not really obvious, then it's not the move. If you're sitting there going like Hmm! I wonder wonder if this is the bottom or this could be I don't know. It's not.

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01:27:10.640 --> 01:27:27.539

Dan Fitzpatrick: It'll be like boom! Boom! Boom! Now we're going up, and if you're not going to be able to pick that up. Don't worry, I will for you, and so will Scott. I've been doing this for long enough that I can see those kinds of things and I got

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01:27:28.050 --> 01:27:42.080

Dan Fitzpatrick: I'm human, just like everybody else. And I make a lot of mistakes just like everybody else. I think over time. You just kind of get more adept at recovering from them. So that's what I want you to be thinking about. Totally. Just

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01:27:43.450 --> 01:27:47.830

Dan Fitzpatrick: recover from your mistakes, learn from your mistakes, move on.

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01:27:48.280 --> 01:27:52.650

Dan Fitzpatrick: Stick to your rules rules. If you don't have rules, you get them.

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01:27:53.150 --> 01:27:59.980

Dan Fitzpatrick: If you have rules and you're losing a lot of money, you need to follow them. Okay, that.



469

01:28:00.190 --> 01:28:04.860

Dan Fitzpatrick: my friends, is all I got for you. Okay, guys have a great day