



Strategy Session

April 21, 2025

Dan discussed various aspects of trading, including market analysis, strategies for options and stocks, and the importance of mindful trading. He emphasized the need for patience, understanding market trends, and focusing on outperforming stocks while considering risk management. Additionally, Dan shared insights on specific trading techniques, such as covered strangles and selling options, while also touching on the significance of tracking trades and developing tools to aid traders.

Next Steps:

1. Dan to host a webinar in a few weeks to introduce options trading to Stock Market Mentor members.
2. Dan to start posting weekly option trades on Option Market Mentor.
3. Dan to create tutorials for the Trade Track platform.
4. Dan to develop and teach a more detailed options trading course in the coming weeks.
5. Option Market Mentor members to move up stop losses on IBIT trades to under the 50-day moving average.
6. Dan to add a new feature to the Option Market Mentor platform for easier trade posting and communication.
7. Members to watch the recording of this session to review the covered strangle strategy explanation.

Transcript:

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00:00:00.020 --> 00:00:04.632

Dan Fitzpatrick: Okay. Good Lord, all right, everybody.

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00:00:05.590 --> 00:00:11.030

Dan Fitzpatrick: I'm gonna I'm going to pause recording for just a sec while everybody kind of gets going.

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00:00:15.980 --> 00:00:25.249

Dan Fitzpatrick: Okay. Hey? Everybody. Thanks for for tuning in. I'm going to do something a little bit different. Here

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00:00:25.430 --> 00:00:29.066

Dan Fitzpatrick: we'll do the usual thing, and then

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00:00:29.870 --> 00:00:57.649



Dan Fitzpatrick: At the end. I mean, there's not a whole lot frankly, to cover in the market. It's kind of like, okay, it's business as usual. Nobody really knows. Nobody knows what's going on, a lot of people applying on different things. I'm not going to do that today, you know. I don't know. But we just need to look at the market action, but then at the towards the end of this, and it'll probably

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00:00:57.830 --> 00:01:00.300

Dan Fitzpatrick: won't be the end. It'll be

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00:01:00.640 --> 00:01:25.909

Dan Fitzpatrick: for a while. I'm going to show you a strategy that I that I'm using for options in this environment. And I'm going to start. I'm going to start. I've actually started at Option Market Mentor last week, but I'm going to start posting some trades every week, which and I trade differently than than Sam does. I think

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00:01:26.270 --> 00:01:36.360

Dan Fitzpatrick: I think I probably trade more similar to Andy, or I should say Andy trades more similar to me. He's taken my stuff

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00:01:36.360 --> 00:01:58.600

Dan Fitzpatrick: to the nth degree. He's so smart and such a diligent guy. But he tells me, and I'll pat myself on the back for this. He tells me that I actually taught him to trade options because he's been a member forever, anyway. So I think we have some commonality. But the point is, I want to make option market mentor accessible to

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00:01:58.600 --> 00:02:09.250

Dan Fitzpatrick: really kind of to every kind of trader, and a lot of people at Stock Market Mentor have expressed a lot of interest in options, but they just kind of don't know

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00:02:09.330 --> 00:02:10.959

Dan Fitzpatrick: where to start.

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00:02:11.150 --> 00:02:13.320

Dan Fitzpatrick: And so I'm going to be.

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00:02:13.330 --> 00:02:28.649

Dan Fitzpatrick: I'm going to be hosting a a webinar in a few weeks to kind of introduce options and kind of help everybody get a foothold over there if you're if you're interested. So anyway

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00:02:29.016 --> 00:02:46.953

Dan Fitzpatrick: so we'll get to that a little bit later in the session here. So here's where we are right now. I think I need to share my screen. That's always a good thing. If people want to share. People want to see what I'm looking at. Okay, so

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00:02:47.550 --> 00:03:00.329

Dan Fitzpatrick: And by the way, I always say this because I always want it. If if you've got any feelings up or down, give me, throw me some emojis, or put something in the

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00:03:00.510 --> 00:03:25.640

Dan Fitzpatrick: put something in the chat space so I can see your questions, or you know, or anything like that. I see already. Randall, our seasoned veteran in here, has already got a question. So anyway, what we're doing right now is we're just testing the April 7th low. It's the typical price action in this in this case. And

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00:03:27.000 --> 00:03:38.880

Dan Fitzpatrick: I'm just talking to Scott about his day trading prowess of microstrategy. These are so. These are some lines I drew last week on the 16, th

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00:03:39.330 --> 00:03:48.840

Dan Fitzpatrick: envisioning, talking about what I kind of expected the market to do, and so far it's

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00:03:49.000 --> 00:03:53.949

Dan Fitzpatrick: so far it's it's tracking just as as I would expect now.

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00:03:55.400 --> 00:04:10.690

Dan Fitzpatrick: It could always do that. It could always it could always keep going. But the whole idea is that we I do expect some kind of retest of this of this level. Now it could very well be

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00:04:11.110 --> 00:04:28.329

Dan Fitzpatrick: that this is the retest, and then we go higher. I don't know, and I'm not going to predict, and we shouldn't predict either. We should just kind of watch this, and and see just kind of see what it does. And as I mentioned in the in my note this morning.

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00:04:29.130 --> 00:04:46.219

Dan Fitzpatrick: don't try to make something happen like, Oh, I want it to be this or I want to do this or that. If you try to make something happen you, you will make something happen. But it'll typically be a bad thing that happens. So we just want to wait. And

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00:04:46.380 --> 00:04:49.640

Dan Fitzpatrick: at this point what I've been seeing is

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00:04:49.750 --> 00:05:00.630

Dan Fitzpatrick: several stocks that have pulled back. You want to be going with the ones that haven't pulled back a lot. They're kind of starting to set up again, and that's the

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00:05:00.730 --> 00:05:19.989

Dan Fitzpatrick: that's the X-axis in play. That's the passage of time. And if you're not, if you're not being patient with the passage of time, and and just realizing that it takes days, takes weeks. Sometimes it takes months for a particular stock to set up.

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00:05:20.100 --> 00:05:38.220

Dan Fitzpatrick: Then what you're really doing. Think about this. Then what you're really doing is just expecting a V bottom on everything, and we don't see that we don't see that very often. And even when we do. Typically, those aren't the best trades, because they're by the time they really become apparent.

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00:05:38.450 --> 00:05:42.370

Dan Fitzpatrick: They've already kind of spent a lot of their fuel

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00:05:42.500 --> 00:05:48.019

Dan Fitzpatrick: just to continue just to get to where it's like, Oh, that's a v bottom I got to buy.

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00:05:48.270 --> 00:05:50.689

Dan Fitzpatrick: So it's best to just wait.

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00:05:50.830 --> 00:06:12.280

Dan Fitzpatrick: It's best to just wait for your train to come by and then get on. That one. Don't just take any train, because no, any train's not going to do so we just kind of want to be patient. This is this, I was creating my Powerpoint today early this morning, and I was looking at this. And I'm going like.

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00:06:12.440 --> 00:06:30.490

Dan Fitzpatrick: Okay, well, I don't even have to change this, because it's the same exact thing. I really do feel like that April, as as I see it right now. The April 7th bottom was the bottom, and I think we have kind of more of a of a cyclical

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00:06:30.630 --> 00:06:37.390

Dan Fitzpatrick: bear market than a secular bear market, meaning that

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00:06:37.700 --> 00:07:05.619



Dan Fitzpatrick: I think ultimately the market just goes higher. It's important not really to pay much attention to the news when we're trading, but in other regards in the rest of your life, because trading should be just a part of it. You go ahead and do that. But when it comes to trading. We really just want to say, Okay, how's the market reacting to all this stuff? That's all we really need to know. So we're kind of coming into a backing and filling

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00:07:05.700 --> 00:07:16.029

Dan Fitzpatrick: stage right now. And there's there's really resistance on 3 fronts. And I've talked about this. I'll just go ahead and pull this back up. There's

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00:07:17.410 --> 00:07:21.910

Dan Fitzpatrick: there's resistance on this trend line on this trend line right here.

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00:07:22.550 --> 00:07:23.990

Dan Fitzpatrick: Come on. You can do it.

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00:07:24.240 --> 00:07:50.319

Dan Fitzpatrick: That one, just this one right here. There's resistance on this horizontal trend. Line. Prior support becomes current resistance, and we absolutely saw this established on the next rebound. I would. I'll just leave them here. I would expect this to test this again, and I wouldn't really expect it to run up. I would expect probably another

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00:07:52.300 --> 00:07:54.410

Dan Fitzpatrick: another retreat

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00:07:54.480 --> 00:08:13.800

Dan Fitzpatrick: like this. And then hopefully, we get an even higher one. The one thing that you want to be aware of is at some point, and I don't know whether that point is, this week or 5 months from this week. At some point there'll be some kind of a deal struck with China. Who knows what that deal is going to be.

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00:08:13.800 --> 00:08:38.629



Dan Fitzpatrick: But when that happens, that is a resolution that the market will look at as some type of certainty, and, as you know, the market hates uncertainty. So we want to be. We just want to be aware of that, that there is something like that coming again. I don't know when, but this thing isn't going to go on forever. So there are some.

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00:08:38.890 --> 00:08:45.310

Dan Fitzpatrick: There are some kind of green lights in the horizon, so don't give up. Don't give up on this.

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00:08:45.750 --> 00:08:47.080

Dan Fitzpatrick: We can see

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00:08:47.470 --> 00:08:59.900

Dan Fitzpatrick: that this is just kind of meandering around here. And one thing I was thinking, a good friend of mine, a guy named Joe Polish. He doesn't have anything to do with trading.

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00:09:01.260 --> 00:09:10.180

Dan Fitzpatrick: Yeah, there's I. There's a lot I could say about Joe, but one of the things he said last week. Was you really need

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00:09:10.260 --> 00:09:36.339

Dan Fitzpatrick: you really need to be looking outside yourself for more ideas, whether it's me or Scott or somebody else? Don't just kind of keep everything impacted and think, you know. Well, I can do this on my own, or or whatever you you really do need help doing this, and this is why, and this kind of it totally makes sense. It makes sense to me.

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00:09:36.570 --> 00:09:38.599

Dan Fitzpatrick: Your best thinking.

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00:09:39.470 --> 00:09:41.619

Dan Fitzpatrick: Got you where you are right now



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00:09:42.070 --> 00:10:07.729

Dan Fitzpatrick: got you. And so if you're just, if you're crushing it, then you can say, Well, no, my best thinking is awesome, and I'm doing really well. But if there's anything in your trading, and that's all I'm really talking about here. If there's anything in your trading that you feel like. Gosh! You know, I'm really struggling with this. Then I think it's important to look outside yourself and say, Well, Crap, you know I'm doing the best that I can.

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00:10:08.260 --> 00:10:18.719

Dan Fitzpatrick: But I'm not really satisfied with where I am, so maybe I need to kind of look to other people to see if I can do a little bit better, because maybe they have.

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00:10:18.720 --> 00:10:44.229

Dan Fitzpatrick: Maybe they have different thoughts. And so that's something that I that's something that I look at a lot these days is. And I've been relying on Scott for for a lot of things, Scott is, and I know you're here, Scott, but Scott's a really really brilliant guy, and he has a much different mindset and a much different outlook

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00:10:44.310 --> 00:10:48.230

Dan Fitzpatrick: than I do. He's he's from a kind of a different

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00:10:48.340 --> 00:10:52.759

Dan Fitzpatrick: different generation. Scott, you're more than 20 years younger than me.

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00:10:53.040 --> 00:10:54.730

Scott McGregor: Yeah. I'm 43.

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00:10:54.730 --> 00:10:58.320

Dan Fitzpatrick: Yeah. Oh, yeah, you're not an old fart yet. I'm kind of



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00:10:58.830 --> 00:11:11.970

Dan Fitzpatrick: meandering into the old fart category. I don't think I am, either. I don't think I am either, but all my spare some of my spare body parts. If I'm averaging those together, I'm actually getting chronologically younger.

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00:11:11.970 --> 00:11:20.409

Scott McGregor: I don't know, man, I get tired by 8 o'clock at night now, so I think I'm meandering into the old fart area as well, 8 o'clock at night. It's and I'm like.

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00:11:20.620 --> 00:11:22.500

Scott McGregor: I gotta. I gotta go to bed.

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00:11:22.500 --> 00:11:29.119

Dan Fitzpatrick: Dude. I, my best friend, called me last night at 8 21,

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00:11:29.500 --> 00:11:33.119

Dan Fitzpatrick: and Jennifer and I were already in bed watching TV

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00:11:34.230 --> 00:11:39.729

Dan Fitzpatrick: just about ready to go to sleep and the phone rings. And I see it's Adam. I pick it up

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00:11:39.830 --> 00:11:41.529

Dan Fitzpatrick: and and she goes.

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00:11:41.750 --> 00:12:01.110



Dan Fitzpatrick: You're gonna have to take that in the other room. And I said, Screw, that I'm gonna have to take it tomorrow and put the phone down. So no, I get I get the 8 o'clock I get the 8 o'clock stuff, but anyway, enough about enough about that.

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00:12:01.110 --> 00:12:08.369

Scott McGregor: Thanks for saying that, Dan. I really do appreciate that. And and you know, I hope that members get that sense as well.

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00:12:08.370 --> 00:12:20.959

Dan Fitzpatrick: Yeah. Yeah. So hey, tell me real quick. I know I've kind of gone on a bit here. But tell me what's happening in the crypto space real quick, and then we'll get to something that I want to talk about.

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00:12:20.960 --> 00:12:23.550

Scott McGregor: Yeah, sure. Do you mind if I share my screen I'll bring it.

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00:12:23.550 --> 00:12:27.200

Dan Fitzpatrick: Do not mind, I do not mind. I'm stopping sharing.

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00:12:27.200 --> 00:12:54.270

Scott McGregor: Okay, I'll bring in the Bitcoin chart. We are seeing a lot of outperformance right now in Bitcoin, and some of the Bitcoin related stocks which we love over at Crypto Market Mentor. We have had just a lot of success lately at Crypto Market Mentor, and, as you can see here, I'm just showing my screen of bitcoin. This is just a bitcoin daily chart from Coinbase, and just doing some quick technical analysis. What we see is Bitcoin has broken

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00:12:54.270 --> 00:13:15.530

Scott McGregor: a bit of a downtrend here and now we're back above the 50 day moving average and testing the underside of the 200 day moving average. And just since the market bottomed, you know, the spy market bottom was April 7, th I believe, and you can see where we had a big reversal here on Btc. So Bitcoin has rallied

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00:13:15.530 --> 00:13:37.319

Scott McGregor: from that recovery day almost 20%, just in a short amount of time. And so we've broken a bit of a downtrend here, and then just over, you know, over the past 24 h or so, you can see that we have now made a new high just above this short base that had been holding up above that 50 day moving average. Now, if I bring an Ibit.

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00:13:37.740 --> 00:13:55.620

Scott McGregor: we see ibits is above and holding the 50 day moving average. So again, we're getting some outperformance here on in Bitcoin, which is a positive in the near term. Now, what what kind of makes me a little more cautious. Dan is something you and I were talking about before we started is the fact that we are getting

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00:13:55.680 --> 00:14:19.570

Scott McGregor: lower price action here on the overall market. Now you can look at that and say, well, then, you know I should just pile everything into into Bitcoin, and you know as much as we would love that over a crypto market mentor for everyone, just to pile everything they have into Btc and pump our bags. You know. My sense is that we're probably going to continue to chop around as we bottom and form a bottoming

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00:14:19.600 --> 00:14:39.560

Scott McGregor: base here. And so, you know, in the near term. I'm actually looking for Bitcoin to come back down to this 80,000 level. If we do pull back. If this eventually does follow the market lower, and we don't know that that's the case yet, because it hasn't done it yet. But if we do, you know, I am looking for this 80,000 level to be tested just as a potential

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00:14:39.560 --> 00:15:01.460

Scott McGregor: low and then higher, low, and then potentially an up resumption to the uptrend similar to that pattern that you just laid out on Spy where we're looking for that, you know. A higher, low above the April 7th low, and then a rebound, and then a lower, high, and then a higher low. As we consolidate throughout this uncertainty, you know, I read a great line today.

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00:15:01.790 --> 00:15:07.199

Scott McGregor: I don't remember who wrote it, but it was something along along the lines of We've probably hit

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00:15:07.220 --> 00:15:24.620



Scott McGregor: peak uncertainty. But, unclear, if we've hit peak pain or Max pain in terms of everyone just getting flushed out of their positions. So because of that, and I kind of agree with that that. Take on the market again. I'm just cautious here in terms of

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00:15:24.620 --> 00:15:31.490

Scott McGregor: yes, following price action, higher day, trading things like microstrategy, which is above.

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00:15:31.490 --> 00:15:55.500

Scott McGregor: you know, all the key moving averages here, but it is running into resistance. And again, if this does pull back, you know I'm looking for this kind of area here to be tested as as more of a swing entry as opposed to a day trade entry. So you know, as you mentioned, I've been day trading micro strategy. I actually swung was doing some swing trading on mstr. I got Mstr. 2, 63, right at the bottom of this wick here.

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00:15:55.500 --> 00:16:11.309

Scott McGregor: super lucky entry! And then I swung this up to 3 17 is where I sold out, and so made a good 20% in a week, did the same with Mstx, you know, super grateful for that. But now again, just with the general market weakness.

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00:16:11.330 --> 00:16:26.470

Scott McGregor: I gotta. I gotta believe that eventually these stocks and Bitcoin are probably going to pull back and follow that market lower. Now again, we don't know that that's going to happen. But just want to. I just want to be open to that possibility. I don't want to have blinders on.

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00:16:26.700 --> 00:16:37.889

Scott McGregor: you know most of the times when I've lost a bunch of money trading speculative assets, whether it's marijuana stocks, you know, in 2018, or, or you know.

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00:16:38.610 --> 00:16:47.309

Scott McGregor: Crypto, you know, in 2022, for example, you may remember, Bitcoin was still holding up. Okay when the general market was rolling over.



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00:16:47.310 --> 00:17:10.869

Scott McGregor: and then eventually, in 2022, it followed the general market lower, and then it followed it lower. A lot like it really outperformed to the downside. So just want to keep that in the back of my mind just as protection. But obviously, you know, this is working great right now, if you're long Ibit. You know we put a trade out on Ibit at 40 down here just on this day here, right at the bottom of this wick.

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00:17:10.869 --> 00:17:39.760

Scott McGregor: I think it was \$45. I sent out a buy alert to Crypto market mentor members and then recommending a partial sale above 48, and then today I'll send out a note. Just say, move up a stop to under the 50 day moving average, just in the event that this does pull back again. Don't know that that's going to happen hasn't done it yet, but just want to just want to prepare for that to happen. And and you know again cover our bases, I said to our members at Crypto Market Mentor last night.

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00:17:41.010 --> 00:18:01.899

Scott McGregor: Because sometimes, you know, we're in the Crypto Market Mentor chat all the time bunch of us. And I put out a note last night essentially, just saying, Look, you know, you're going to make 80% of your money when the market is trending up, and that's where you want to heavy in. You want to size in. You want to pile in, and then you want to ride that trend until it breaks the rest of the time.

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00:18:01.930 --> 00:18:31.429

Scott McGregor: All you're trying to do is survive right. Maybe you got a good few day trades or swing trades here and there, but I look at those as more like bandages to to cover up any recent account, volatility or account mistakes that maybe you've made. You know, throughout the recent volatility that we've seen in the market, so embrace those short term trade opportunities, but understand that the most amount of the most times that I've made money in my account is when the market's trending up.

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00:18:31.430 --> 00:18:49.179

Scott McGregor: and then I just size into my best ideas and let that trend work. So you know again, just keeping that in mind of yes, great short term opportunity right now, maybe this is a great long term opportunity, but it's still not trending just yet. You know the moving averages are still out of order here on Btc.

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00:18:49.370 --> 00:18:52.489

Scott McGregor: There's still headline Risk.



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00:18:52.860 --> 00:19:03.300

Scott McGregor: you know, who knows what's going to happen with China? Who knows what's going to happen with any other deal? What's happening in Iran? What's happening? You know all the geopolitical stuff that we can name. And so

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00:19:03.740 --> 00:19:09.280

Scott McGregor: I think that you know my message to everyone. A crypto market mentor is follow price, but respect that risk.

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00:19:10.400 --> 00:19:16.889

Dan Fitzpatrick: Yeah, one thing about just this market in general, or I should say, this time.

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00:19:17.420 --> 00:19:20.490

Dan Fitzpatrick: since the market has rolled over

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00:19:22.280 --> 00:19:32.600

Dan Fitzpatrick: through the years going forward. You're going to remember this time. This is going to be one you're not going to remember, like last July or last

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00:19:32.760 --> 00:19:38.120

Dan Fitzpatrick: February, or something like what happened last July. What happened last February

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00:19:39.090 --> 00:19:57.260

Dan Fitzpatrick: I don't know. Market was in a nice uptrend. That's it. Kind of like March and April and May and June, you know, everything was just kind of oscillating up and down, but we tend to not remember things that go really, really great like, and unless you win the lottery or something. If that were me.



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00:19:57.800 --> 00:20:09.730

Dan Fitzpatrick: I know I would remember that day. But the point is, we tend to remember these periods when the market was really really tough. I remember

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00:20:09.950 --> 00:20:11.400

Dan Fitzpatrick: 2,000

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00:20:11.700 --> 00:20:22.740

Dan Fitzpatrick: very, very well, and I don't have fond memories of that. I remember a couple other times as well. I remember 2,008,

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00:20:23.090 --> 00:20:49.550

Dan Fitzpatrick: I forget the exact date, but with the whole housing crash and and all that jazz, I remember that a little bit more fondly, actually, because I owned a house. But it was in a really good area, and that actually went up in value. And I was just starting stock market mentor, and we were in our super growth phase, and I just kept getting bigger. So I was happy about that. But I was kind of bummed for

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00:20:49.620 --> 00:20:53.490

Dan Fitzpatrick: for everybody who everybody else who was

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00:20:53.630 --> 00:21:08.170

Dan Fitzpatrick: was really having a hard time. But the point is, you remember the bad stuff, the stuff that's really tough, and so be mindful of that. And when you go back from the future, and you think about this period in time.

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00:21:08.980 --> 00:21:23.699

Dan Fitzpatrick: focus right now on being the type of trader that in the future you're going to look back and say, you know what I did pretty good. I did pretty good during that period of time as opposed to holy crap.



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00:21:23.820 --> 00:21:43.059

Dan Fitzpatrick: That was sure an expensive lesson. You don't have to be learning expensive lessons if you, if you conduct yourself prudently, and that means just always be thinking about. Okay, why am I trading? Why am I trading right now? Why am I making this trade? And

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00:21:43.470 --> 00:21:50.069

Dan Fitzpatrick: if you don't know why you're making this trade. You've just identified your problem.

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00:21:50.190 --> 00:22:08.629

Dan Fitzpatrick: It has nothing to do with the trade it has to do with your underlying motivation. Why am I doing this kind of thing like I say, know your why, and if you don't know your why, and then you're over trading, it may very well be, I don't know, but

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00:22:08.780 --> 00:22:16.919

Dan Fitzpatrick: it may very well be that you've got a gambling issue or some other reason. Well, that is your problem.

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00:22:17.080 --> 00:22:43.890

Dan Fitzpatrick: and trading, hyperactive trading, making stupid trades, making losing trades and stuff like that. That is not your problem. That's your solution. It's a pretty crappy solution. But that's the solution to your problem. And so I just feel like this is a super important concept is like bad trading. Typically now, if you just kind of don't know what you're doing and just trying to figure it out.

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00:22:44.250 --> 00:23:12.399

Dan Fitzpatrick: That's your problem. Actually, then, your problem is kind of lack of knowledge. But you could figure that out. But I hope you guys know what I'm talking about. And, by the way, this is something else I learned from Joe Polish. He does a lot of work with with addiction. He's a i'm not going to turn this into a Joe Polish session here, but Joe's a former addict, although I guess maybe you're always an addict, but I mean he was a

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00:23:12.550 --> 00:23:26.449



Dan Fitzpatrick: smoking crack and doing all kinds of stuff, and he's pulled himself out and is an amazing guy now. So anytime he speaks, I kind of listen. But that was his concept that he taught me was

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00:23:26.840 --> 00:23:44.849

Dan Fitzpatrick: whatever you think, like somebody who's an addict a drug addict or alcohol, or smoking, or something like that. That is not their problem. That's their solution. That's they have some kind of pain underneath. So think about. Okay enough about that. But think about that when it comes to trading.

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00:23:45.440 --> 00:23:50.139

Dan Fitzpatrick: Are you trading for the right reasons? And is there some underlying

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00:23:50.250 --> 00:24:13.859

Dan Fitzpatrick: dynamic in your life, in your mind, in your heart. Is there some kind of underlying dynamic that is driving your actions? That's that's creating your actions. And one thing I learned a while ago was. And I want you to think about this. We can't. You cannot control your actions. Sorry

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00:24:13.860 --> 00:24:26.070

Dan Fitzpatrick: you can't. You cannot control your actions. Actions come from thought other than like pulling your hand out of some boiling water or something like that. You can control your thoughts.

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00:24:26.320 --> 00:24:38.699

Dan Fitzpatrick: That's where you have to start. You got to start by being a thinking person. Be a thoughtful trader at my my office downtown. I have this this desk thing.

114

00:24:38.880 --> 00:24:44.869

Dan Fitzpatrick: It's 1 of the few things on my desk that's not clutter. And it it just says, Think!

115

00:24:44.970 --> 00:25:11.169



Dan Fitzpatrick: And it's an old Ibm thing. Everybody had one of those on their desks, and it just reminds me like, be thoughtful. And so that's what I'll tell you. Your actions are one thing, but just be mindful that your actions are a consequence of thought. If you're thinking bad thoughts, you're going to trade bad. If you're thinking poorly of yourself, you're going to trade poorly.

116

00:25:11.760 --> 00:25:16.619

Dan Fitzpatrick: That's just human nature. Sorry. But it is so.

117

00:25:17.130 --> 00:25:18.820

Dan Fitzpatrick: Anywho

118

00:25:19.880 --> 00:25:35.210

Dan Fitzpatrick: I'll get back on track. Actually, that is, back on that is on track. I just think it's really important for for people to be mindful of that. Now, am I? I'm sharing my screen here, Scott. You guys can see Netflix.

119

00:25:35.210 --> 00:25:37.419

Scott McGregor: Yeah, yeah, we got 4 panels of Netflix.

120

00:25:37.420 --> 00:25:38.190

Dan Fitzpatrick: This looks like.

121

00:25:38.190 --> 00:25:40.319

Scott McGregor: So yeah, your day trading set up there.

122

00:25:40.320 --> 00:25:49.110

Dan Fitzpatrick: Okay, yeah, I just want to make sure. Netflix is kind of like, almost the only stock that I've been watching that broke out



123

00:25:49.260 --> 00:25:55.390

Dan Fitzpatrick: and and is holding up. We look at the spy, and

124

00:25:55.970 --> 00:25:58.569

Dan Fitzpatrick: here we'll get to. We'll do it this way.

125

00:25:59.710 --> 00:26:09.859

Dan Fitzpatrick: Boom! We look at the spy, and sellers are still doing what Sellers do, which is sell.

126

00:26:11.020 --> 00:26:39.450

Dan Fitzpatrick: not doing much of anything other than that I have been kind of looking at, not for trading right now. But watching, I've been looking at some of the consumer staples stocks they do. They seem to be doing seem to be doing okay. And the telecom. Some of the telecom stocks are doing well. I think I haven't looked at this today like T-mobile has been start trying to set up.

127

00:26:39.450 --> 00:26:50.800

Dan Fitzpatrick: It's kind of rolling over now a bit, but we'll see same thing with at and T. But we want to be in these stocks that are outperforming

128

00:26:50.920 --> 00:27:16.130

Dan Fitzpatrick: the market. And so we see this up near all time Highs and the S. And P. And the Nasdaq just continue to go lower. Same thing with T-mobile. You compare that with like Meta or Tesla. This is not a correlation that you want to see in your positions. You want to see the inverse correlations, and so

129

00:27:17.800 --> 00:27:20.133

Dan Fitzpatrick: so we'll get to this.



130

00:27:21.980 --> 00:27:35.789

Dan Fitzpatrick: This is where we are on the fear greed. The market's still very concerned, very concerned about about things as as it should be. I get it, and I don't care. I don't care who you are.

131

00:27:36.010 --> 00:27:41.339

Dan Fitzpatrick: I don't really think there's anybody on the planet who knows

132

00:27:41.530 --> 00:27:54.420

Dan Fitzpatrick: what's going to come of this of these tariffs? Is it going to be like a full blown trade war? Is it going to change the geopolitical dynamics on this particular planet I don't know.

133

00:27:55.950 --> 00:28:04.749

Dan Fitzpatrick: I don't know, and because I don't know, and because there's nothing I can do about it. Think about this. I don't know

134

00:28:05.130 --> 00:28:07.180

Dan Fitzpatrick: nothing I can do about it.

135

00:28:07.940 --> 00:28:10.590

Dan Fitzpatrick: So I have more important things to care about.

136

00:28:10.850 --> 00:28:22.770

Dan Fitzpatrick: I'm aware of it, but I can't really care about something that there's nothing I can do about it. And there was a this was a Tom Hanks movie.

137

00:28:23.260 --> 00:28:52.769



Dan Fitzpatrick: I forget the name of it. He was. He was going. It's back in wartime, or wherever where, where some guy was being held over in Germany. I think it was Germany. It might have been Russia, but it was not one of those good countries as a suspected spy, and he was. Gonna they're trying to arrange a prison exchange. And so he's talking to this guy. And this guy was in really big trouble. And Hanks goes like.

138

00:28:52.810 --> 00:28:57.609

Dan Fitzpatrick: you know, you don't seem very. You don't seem concerned about this at all.

139

00:28:57.850 --> 00:29:02.079

Dan Fitzpatrick: And the guy looked back at him and he goes, would it help?

140

00:29:02.570 --> 00:29:30.930

Dan Fitzpatrick: And so that's kind of the way we need to be thinking, at least the way I view things is you think about things. Maybe if you want to be kind of worried per se, that's just borrowing tomorrow's problems for today. And they might not happen. You can do that if you want feel free, or you can say you know what. Why don't I just focus on the things that I can take care of, because if I can't take care of them, if I can't control them, then I have no idea

141

00:29:31.260 --> 00:29:33.610

Dan Fitzpatrick: what's going to happen. So

142

00:29:34.730 --> 00:29:44.329

Dan Fitzpatrick: I got better things to worry about. So, anyway, with that said where everybody's still kind of fearful here. But we are getting.

143

00:29:44.970 --> 00:30:05.269

Dan Fitzpatrick: We're getting a little a little bit better, I mean, at 1 point I think it was a couple weeks ago we were down at like 4 so, and our smart dumb money we. Still, there's a big disparity here. Yeah, you can see this V bottom on the dumb money was so pessimistic. And now they're starting to come up again, but they're still below 30,

144



00:30:05.270 --> 00:30:20.119

Dan Fitzpatrick: and the 30 to 70 is kind of the mid range, but they're still below 30. The smart money you can see, and it kind of is reflective in the action in the S. And P. The smart money is starting to go, you know.

145

00:30:20.180 --> 00:30:26.950

Dan Fitzpatrick: Maybe maybe we better pull in our horns a little bit, but they're up at 85.

146

00:30:27.280 --> 00:30:45.449

Dan Fitzpatrick: And so this is a big, huge disparity. Anytime there's a disparity greater than 40. That is an extreme condition. That oftentimes leads to some reversal. So we are. We're definitely there, but

147

00:30:45.740 --> 00:30:50.759

Dan Fitzpatrick: just not quite there yet. So

148

00:30:51.690 --> 00:31:06.389

Dan Fitzpatrick: let me see, yeah, bridge of spies. That's exactly right, Peter Great, great movie it could have been Charlie Wilson's war, too. But that was that was a different one. So okay, I want to go through a couple

149

00:31:07.330 --> 00:31:13.170

Dan Fitzpatrick: couple questions here, and then I'll get to to what I wanted to wanted to show you here.

150

00:31:14.400 --> 00:31:39.249

Dan Fitzpatrick: So I've started more and more looking at charts with the S. And P. And the Nasdaq, but it could just be one or the other superimposed on it, because I'm kind of looking for for outperformers, and if it's not an outperformer, then, you know, I'm not not really interested in it. Just a few stocks like wags, you know, Gene Dx.

151

00:31:40.200 --> 00:31:49.449



Dan Fitzpatrick: nothing looks really great today. So we're going to see a lot of this. But, generally speaking, this has been outperforming

152

00:31:49.670 --> 00:31:51.680

Dan Fitzpatrick: the the S. And P.

153

00:31:54.050 --> 00:32:13.700

Dan Fitzpatrick: This one has been, too. We had a big move on Friday. I was kind of trying to trying to put that out. I saw it when it broke out above here, but by the time I was kind of ready to push the button it had already gone up so much I'm going like I can't put it out when it's like up 7

154

00:32:13.700 --> 00:32:28.430

Dan Fitzpatrick: percent or something. So it's pulled back now, and whether this is a trade for you I don't know, but I do see this as a total outperformer. These are the things that we want to be looking at.

155

00:32:31.490 --> 00:32:44.519

Dan Fitzpatrick: and we want to be looking at these and not looking at the ones that we wish were outperforming. Oh, my gosh, you know, I really like Microsoft. Okay? Well, nobody else does. I really like Google?

156

00:32:45.260 --> 00:32:57.099

Dan Fitzpatrick: Not too many other people do really like Amazon, you know, who likes the Amazon, the short sellers. So these are the ones that we definitely don't want to be doing now.

157

00:32:58.210 --> 00:33:03.680

Dan Fitzpatrick: Randall, you're asking about the chatter on delisting Chinese stocks. Yeah, I don't.

158

00:33:04.280 --> 00:33:12.810



Dan Fitzpatrick: I mean, I wouldn't say that that they're really. I wouldn't say that they're really reacting to that. I mean, they're they're really weak. But

159

00:33:13.090 --> 00:33:27.679

Dan Fitzpatrick: the point is like, so is everything else. And so I don't know whether I don't know what the market react. Seriously, I don't know what the market reaction will be if they if they delist the Chinese stocks.

160

00:33:28.170 --> 00:33:39.909

Dan Fitzpatrick: I would imagine they'll go down, but I have no idea whether that I mean people talk about it, and you know, trump yakkety yaks about a lot of things, but I don't know whether

161

00:33:40.250 --> 00:33:42.249

Dan Fitzpatrick: that that kind of seems like

162

00:33:42.420 --> 00:34:01.850

Dan Fitzpatrick: foul ball. That kind of seems like something completely different. If you're going to Delist Chinese stocks because you don't like the way China's and not the Chinese, but the government, the Ccp. If you don't like the way that they're behaving with respect to trade and this and that and the other thing.

163

00:34:02.380 --> 00:34:27.940

Dan Fitzpatrick: Maybe you want to just kind of fight that battle instead of all this other stuff. I mean, if you're going to do that, hey? Why not not lob a nuclear weapon over there? That's another way to go. So I just kind of not really thinking too much about that, but we certainly will when the when the time comes. And so thoughts about beacon roofing.

164

00:34:28.620 --> 00:34:32.920

Dan Fitzpatrick: I don't know why it's doing this. And so I don't.

165

00:34:33.080 --> 00:34:53.189



Dan Fitzpatrick: Maybe it's maybe it's being acquired or something. That's probably the case. I think here, because it gapped up. And then it's just kind of staying along here. But I don't really. Yeah. I see this in a volatility squeeze. But here's the thing, Mark.

166

00:34:53.190 --> 00:35:11.930

Dan Fitzpatrick: I would need to know why this did what it did. Because if it's something like, well, yeah, they received a buyout offer at 124 bucks, or 125 bucks, if that's the case. And here this is important

167

00:35:12.090 --> 00:35:35.609

Dan Fitzpatrick: if they received it at a higher price. If this was the case, but this is a concept you have to know, anyway, if they received the buyout offer and the acquisition price was higher than where the stock is trading right now. That means that the market's unsure, whether it's going to go through.

168

00:35:36.220 --> 00:35:38.270

Dan Fitzpatrick: Just kind of thinks it. Well.

169

00:35:38.410 --> 00:35:47.530

Dan Fitzpatrick: but it's unsure whether it's going to go through. That's why it trades at a little bit of a discount just to take, just to take into account that risk

170

00:35:47.710 --> 00:35:53.880

Dan Fitzpatrick: trades at a little bit of a discount of the acquisition price. Okay, let's assume

171

00:35:54.020 --> 00:35:56.900

Dan Fitzpatrick: that that's the case again. I don't know the news.

172

00:35:57.540 --> 00:36:26.719



Dan Fitzpatrick: Let's assume that's the case. All right. Well, over these last few days. This is pulled back. Okay? Well, it's pulled back 2%. That's not a big pullback. So that's kind of still in play. And now this is back in a volatility squeeze. Well, it's still below here, and this is not necessarily the kind of thing that I would look at and say, oh, we're going to probably see a volatility pop here if I took away these Bollinger bands.

173

00:36:26.940 --> 00:36:32.389

Dan Fitzpatrick: All we see is the stock trading sideways slightly below 124.

174

00:36:32.980 --> 00:36:37.130

Dan Fitzpatrick: That's the way I look at it now. On the other hand, let's say

175

00:36:37.330 --> 00:36:46.530

Dan Fitzpatrick: let's say the stock will go back here, and then I'm done with this. Let's say the stock's trading here, and the buyout offer was 120.

176

00:36:46.890 --> 00:36:52.569

Dan Fitzpatrick: Why would this be trading above that? It's because the market

177

00:36:52.650 --> 00:37:17.979

Dan Fitzpatrick: traders, institutions, whoever's involved in this because they are anticipating that maybe there's going to be a competing offer that comes in at 1, 25 or 1, 26. And so there's more demand for that, not like a huge amount. But there's more demand for that stock, even though it's above the acquisition price, because there's a

178

00:37:18.570 --> 00:37:40.739

Dan Fitzpatrick: there's a some kind of consensus out there, or just some kind of feeling among some people with a lot of money that maybe it's going to get a higher price. So that's the kind of dynamic that I see here, and I'll say it once again. I don't know what the news was, but for teaching purposes, let's assume it was that

179

00:37:41.440 --> 00:37:45.440



Dan Fitzpatrick: this would be my my analysis of that.

180

00:37:46.213 --> 00:37:51.859

Dan Fitzpatrick: Now you got a 220 wingstop. Put Vince

181

00:37:53.910 --> 00:38:00.366

Dan Fitzpatrick: 2, 20 wingstop. Put that expires 6, 25. I'm up 25% on it.

182

00:38:01.760 --> 00:38:11.450

Dan Fitzpatrick: should I close? It now? Looks like Wing could find support. Yeah, I mean, it could certainly find support here. It doesn't close till June.

183

00:38:11.660 --> 00:38:14.130

Dan Fitzpatrick: So if you're asking.

184

00:38:15.130 --> 00:38:43.839

Dan Fitzpatrick: then you're thinking about it, and maybe you close just a little bit, but it's looking to me like the stocks continuing lower. But I could certainly see the next move up. I could see some kind of a rebound up here, but this is moving pretty good to the downside, and it's broke this level. If it was me, I'd probably just take some off the table. But, my gosh! You know, if this thing continues lower

185

00:38:44.990 --> 00:39:07.720

Dan Fitzpatrick: you're probably going to be really bummed that you that you closed it all just because it might find support at 200. Which, by the way, it's 6 bucks above that 200 level. That's what I do. I hope this helps? And then, when's the new trading course scheduled? I haven't decided yet. It'll be.

186

00:39:08.560 --> 00:39:28.070



Dan Fitzpatrick: It'll be a few weeks from now. And, to be candid, this is what I want to do. I want to be working a little bit more over at Option Market Mentor, so I can get more trades out. And it's not so. I can figure out how to trade options. Hell, I've been doing this since 1996. But though my options are super simple.

187

00:39:28.080 --> 00:39:38.810

Dan Fitzpatrick: I just keep it simple. I don't do triple tailed flying wombats with flame coming out of the left ear. I don't do that kind of stuff. I just like.

188

00:39:39.200 --> 00:39:53.619

Dan Fitzpatrick: buy calls, buy puts, sell, calls, sell, puts, do covered strangles, which I'll show you about. Do bear, put, call, or excuse me, bear call spreads or bull put spreads. I keep it like

189

00:39:54.520 --> 00:39:56.140

Dan Fitzpatrick: really simple.

190

00:39:56.250 --> 00:40:21.539

Dan Fitzpatrick: And the reason is because I've never really felt like I needed to get more complex. If I manage money like a lot of money for other people like Sam does. Sam trades differently, and even though sometimes his trades might be confusing, and everything's always confusing to anybody if they don't understand it.

191

00:40:21.940 --> 00:40:43.910

Dan Fitzpatrick: That's an axiom of life. So Sam has more complicated trades, but they're very methodical, and he knows what the heck he's doing. They're just kind of different than mine. So I want to get over there and and put on some trades and also frankly get used to the trade tracking

192

00:40:44.130 --> 00:41:12.890

Dan Fitzpatrick: platform that I paid for, and it cost a lot of money to build that I don't really even know how to use. So I just don't want to get over there and bring my lack of knowledge of the actual system to everybody else. So it'll probably be. It'll be a few weeks before I do that, and and we'll be. I'll be offering a like kind of a special price for for those who are interested in taking



193

00:41:12.980 --> 00:41:21.640

Dan Fitzpatrick: Option market mentor for a test spin. But that's for another day. Okay, just a couple more here. And then I want to get into my.

194

00:41:21.880 --> 00:41:26.210

Dan Fitzpatrick: to my to my thing. So Kroger.

195

00:41:26.350 --> 00:41:32.220

Dan Fitzpatrick: Mark, you're asking about Kroger. Look, this is my gosh! You know this is in a

196

00:41:33.870 --> 00:41:49.630

Dan Fitzpatrick: it's pretty much working for me. This is in a really really nice uptrend. I feel like this is a good one to own. But if you just look at where the where the channel is. This is the part of my smart approach

197

00:41:49.920 --> 00:41:54.010

Dan Fitzpatrick: where the A is attainable meaning.

198

00:41:54.570 --> 00:41:55.970

Dan Fitzpatrick: What are you

199

00:41:56.150 --> 00:42:11.770

Dan Fitzpatrick: if you're buying the stock right now, if your strategy is, I'm buying the stock right now. Only reason you're doing that is because you think the stock's going higher. So if you think it's going higher. How much higher do you think it's going to go? Maybe, like you think it's going to go?

200

00:42:12.590 --> 00:42:19.659



Dan Fitzpatrick: I mean, I wouldn't this. So get into a little bit of detail, but not a lot. So

201

00:42:19.810 --> 00:42:30.520

Dan Fitzpatrick: you think like you're looking. And you're saying, Okay, I'm going to buy this stock. But if the stock gets down like even to here. Forget about the 50 day moving average. Because I think that's

202

00:42:30.830 --> 00:43:00.460

Dan Fitzpatrick: here. I think that's probably too far down. That's over 8%. But let's say, you're saying, Okay, I'm going to buy this stock. And last Friday this was kind of a key low. We'll even say, here below 68 bucks like right below Monday from last week's low. So that's about 5, we'll say 5 and a half percent now. So I'm risking because that's my! Oh, crap! I'm wrong. Something's going on. I didn't.

203

00:43:00.750 --> 00:43:08.220

Dan Fitzpatrick: I didn't buy the stock right. The trade's not going to work 5 and a half percent. So now put this back here.

204

00:43:09.280 --> 00:43:15.309

Dan Fitzpatrick: Okay, so if you're buying this right here, you've got a 5 and a half percent risk.

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00:43:15.530 --> 00:43:35.139

Dan Fitzpatrick: what are you expecting like a 5 and a half percent profit that's risking \$1 to make \$1. That's not a good. That's not a good trade. But even if even if it is like 5 and a half percent, we'll say that's 75, 75, I think, is that it?

206

00:43:35.870 --> 00:43:40.530

Dan Fitzpatrick: I don't know what the heck that is. But it's it's leaving the building.

207

00:43:43.330 --> 00:44:10.879



Dan Fitzpatrick: I think. 75, 76, or something. So yeah, okay, right on the money. So that's a 1, for one thing, but you don't want to do one for one. You got to do at least one for 2 risk, one to make 2. So that's 11%. That's like right up here, basically at 80 bucks. So this is where the rubber meets the road as far as your decision of whether to buy the stock right now and listen to me.

208

00:44:11.060 --> 00:44:13.869

Dan Fitzpatrick: I'm giving you pearls.

209

00:44:14.830 --> 00:44:20.940

Dan Fitzpatrick: Can you expect? Is it attainable that if you're buying the stock right here.

210

00:44:21.190 --> 00:44:26.960

Dan Fitzpatrick: do you expect to see the stock ultimately get up to that level.

211

00:44:27.300 --> 00:44:29.779

Dan Fitzpatrick: I look at this, and based on

212

00:44:31.050 --> 00:44:37.859

Dan Fitzpatrick: countless millions of charts that I've looked at throughout the last 29 years, or whatever it's been.

213

00:44:38.760 --> 00:45:03.689

Dan Fitzpatrick: I've seen some of the I've seen trades like this a lot of times. They're biotech stocks or something, but I've seen stocks do that. But most of the time I've seen stocks trade within the Channel that has been in existence since like last September. I've seen this, and so for me, I can get to the okay. I know what the strategy is. I'm finding a stock, whether this is your stock

214

00:45:03.690 --> 00:45:23.709



Dan Fitzpatrick: or not. So I've gone through the S's. And then I'm looking at the actual market, which is important for you to say, Okay, I know my strategy. I know what stocks are. Now, what's the market environment? And then that colors what you're doing. And then it gets to the A which is okay. Stocks. Okay?

215

00:45:23.970 --> 00:45:26.330

Dan Fitzpatrick: My strategy. I got

216

00:45:27.340 --> 00:45:38.809

Dan Fitzpatrick: The market is favorable. It's not, but the market's favorable. So that's good. Now is the trade that I'm thinking about taking attainable. In other words, have I seen it before?

217

00:45:39.380 --> 00:45:47.759

Dan Fitzpatrick: For me? The answer is, Yes, once or twice, but for the most part no, I've seen this more, so I get to the A,

218

00:45:48.520 --> 00:45:54.680

Dan Fitzpatrick: and then I go on to another stock because I don't see this as being

219

00:45:54.860 --> 00:46:03.760

Dan Fitzpatrick: attainable right here. Does this make sense to you guys, or am I just blathering to myself, writing my book verbally.

220

00:46:04.450 --> 00:46:15.690

Dan Fitzpatrick: because this is kind of a big? This is kind of a big part of it. It's really important that you understand this, because if you don't, if you're not getting this.

221

00:46:16.240 --> 00:46:29.400



Dan Fitzpatrick: then you're just going to look at a stock like this and go like. Oh, my gosh! You know this is awesome. I got to buy it here, and then you're going to wind up sitting there. You're likely to wind up sitting here in this stock for for a while.

222

00:46:29.510 --> 00:46:39.159

Dan Fitzpatrick: and you're going to after a while. You know what you're going to get bored with it. Maybe you get stopped out. But you're going to wind up sitting in it for a while. Time's gonna go on

223

00:46:39.900 --> 00:46:47.009

Dan Fitzpatrick: and you're sitting here, and you're sitting here. And finally, somewhere around here you get bored with it and you sell it.

224

00:46:47.270 --> 00:46:50.850

Dan Fitzpatrick: and as soon as you sell it the Tweet goes out.

225

00:46:51.020 --> 00:46:54.210

Dan Fitzpatrick: Everybody gets the text on signal.

226

00:46:54.530 --> 00:47:03.209

Dan Fitzpatrick: and then the stock runs up higher without you. So the entry is the most important thing, and I don't think it's this. Now. If I'm long.

227

00:47:04.370 --> 00:47:11.270

Dan Fitzpatrick: It's good to be long if you're long, you're not wrong. So, anyway. So that's

228

00:47:11.850 --> 00:47:31.649



Dan Fitzpatrick: you know. That's that's all I have really to say about that hope it's enough. Hood. Well, that's below the 50 and the 50 days drifting lower. So this is something that you could watch it. But there's going to have to be a lot of work before before this runs higher. So

229

00:47:31.990 --> 00:47:41.860

Dan Fitzpatrick: nutics, health. Yeah, it's not a buy right now. But you watch for a htf, I don't know what that is, but it's probably

230

00:47:42.630 --> 00:47:44.090

Dan Fitzpatrick: something that I

231

00:47:44.370 --> 00:47:52.210

Dan Fitzpatrick: talked about at 1 point. I don't know what an htf is, anyway, it doesn't matter. But with this Bollinger band hook

232

00:47:53.300 --> 00:48:12.080

Dan Fitzpatrick: it's really kind of a good evidence that this has peaked. This has been a really really strong move. Look at the volume here. Massive volume. This is institutional buying. When you see this. I would think so, though with 300,000 shares

233

00:48:12.780 --> 00:48:14.300

Dan Fitzpatrick: on this big day.

234

00:48:14.660 --> 00:48:17.069

Dan Fitzpatrick: Maybe it's just somebody with a lot of money.

235

00:48:17.550 --> 00:48:19.252

Dan Fitzpatrick: Maybe it's Scott



236

00:48:20.410 --> 00:48:21.230

Dan Fitzpatrick: But

237

00:48:21.360 --> 00:48:30.950

Dan Fitzpatrick: anyway, so this gap, it looks good. This looks really good. I just think you want to wait and hope for some kind of a pullback

238

00:48:32.110 --> 00:49:00.129

Dan Fitzpatrick: and then see it start to move higher this way. So I like this move. Actually, I do I like it, but it's certainly not something that I and frankly, I wouldn't even be selling any right now. But I would keep a trailing stop, and I would also have my stops segmented. In other words, I wouldn't have one stop for the whole position. I would kind of have 2 or 3 of them staggered down. So

239

00:49:00.320 --> 00:49:06.740

Dan Fitzpatrick: okay, Kroger, as a defensive buy.

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00:49:06.930 --> 00:49:12.270

Dan Fitzpatrick: I don't know. I mean, I honestly honestly, I don't.

241

00:49:13.050 --> 00:49:27.359

Dan Fitzpatrick: I don't know what a defensive buy would be right now, because I don't think this is a good time to be buying it, Cindy, that's the point. But if you're looking, look, if you're trading longer term. And and you you want.

242

00:49:27.700 --> 00:49:45.800

Dan Fitzpatrick: Kroger certainly doesn't look to me like it's thinking about going down, does it to you? No, I don't think it's going down. I think it could, of course, but they don't report earnings for a couple months, and so I would just kind of look for a better for a better entry here.



243

00:49:47.410 --> 00:49:49.023

Dan Fitzpatrick: So okay,

244

00:49:51.090 --> 00:49:53.879

Scott McGregor: Entries everything. Dan, as you always say.

245

00:49:53.880 --> 00:49:58.500

Dan Fitzpatrick: Thing. Yeah, if you've got a good entry. Now you start talking about the trade,

246

00:49:59.630 --> 00:50:02.390

Dan Fitzpatrick: and and if you don't

247

00:50:03.740 --> 00:50:32.449

Dan Fitzpatrick: you know if you don't have a good entry, then you don't have a good trade. So, Vincent, yeah, I see your post here on trade track. Awesome. Glad to have you aboard, but so we'll be doing. I'll be doing tutorials on that. And then, Susanna, Susanna, where's my book? There's a long one and a short one. The short one is basically done. I'm just it's like 20 pages, the short one.

248

00:50:32.460 --> 00:50:47.170

Dan Fitzpatrick: But I'm that'll be out in the next couple weeks. I got to make a decision as far as how exactly I want to do that. Okay, so yeah, Vincent, there's no possible way. I would know htf is high type flag.

249

00:50:47.280 --> 00:50:57.509

Dan Fitzpatrick: anyway. But thanks for the clarification. Okay, I want to get through the rest of my stuff here because I think it's it's just something I'm really excited about. So



250

00:50:58.270 --> 00:51:27.309

Dan Fitzpatrick: for option market mentor, I put on this microchip strategy. I think it was the week before last. It was a covered strangle, and what that is, what a covered strangle is. You buy the stock? I don't know if anybody's familiar with a covered call where you own the stock, and then you sell a call where somebody who's buying the call can call the stock away from you. Hey? Give me your stock, you buy the stock. Well, let's look at it.

251

00:51:27.370 --> 00:51:37.319

Dan Fitzpatrick: You buy the stock at 38, 73. Somebody's buying the \$40. Call it expires on May 16.th Both of these do

252

00:51:37.430 --> 00:51:49.759

Dan Fitzpatrick: they buy the \$40 call for \$2 and 60 cents, basically. And they're the reason they're doing that is because they're going holy crap 38, 73

253

00:51:49.990 --> 00:52:13.499

Dan Fitzpatrick: I think it's going way above 40. So I'm going to buy the right to take the stock at 40 bucks. And so you're selling that for \$2 and 59 cents. So that's the money that you're collecting in order to obligate yourself to give somebody the stock at 40 bucks, so you would make a dollar 27 on the

254

00:52:13.500 --> 00:52:37.690

Dan Fitzpatrick: on the sale. Here you're selling at \$1 27 above where you are, but you're also selling the May 16.th Excuse me. The May 35. Put again the stocks at 38, 73. You're selling the 35 put, meaning if the stock falls below 35, somebody who bought that put

255

00:52:37.830 --> 00:52:50.959

Dan Fitzpatrick: they can make you buy the stock at 35 bucks. So if the stock goes up above 40. You're out of your stock for a small profit, plus you get to keep this 260

256

00:52:51.130 --> 00:53:09.609



Dan Fitzpatrick: pretty good deal. Because, yeah, you're making \$21 27 here, but you're also keeping \$2 and 59 cents. On the other hand, if the stock goes below, you again keep the dollar 70, but you're also obligated to buy more stock

257

00:53:09.960 --> 00:53:25.469

Dan Fitzpatrick: at 35 bucks. So you bought some for 38, 73, and then you kind of have an Oh, crap! I have to buy more stock, and I'm losing money on this. So that's kind of the way you could think about it. But if you are saying like.

258

00:53:25.920 --> 00:53:48.970

Dan Fitzpatrick: Well, I don't mind buying the stock at 35 bucks. I would take it at 35 bucks plus. I'm not really buying it at 35 bucks, because I collect a buck 70. So I'm actually buying it at \$33 and 30 cents, just subtracting a buck, 70 from 35. And so the total premium you collected

259

00:53:49.610 --> 00:54:01.630

Dan Fitzpatrick: on a stock that you bought for \$38 and 73 cents. The total premium you collected is over 4 bucks. Is this making sense to you guys? So far?

260

00:54:01.910 --> 00:54:19.299

Dan Fitzpatrick: Yeah. Money bags, I'll say. And so this is the way this looks on the chart. Okay, so this is where I buy Microchip 38, 54, I think that's what it was, I think. Yeah, anyway, it's close enough.

261

00:54:20.150 --> 00:54:30.100

Dan Fitzpatrick: and so I sold the 35 put, and I sold the \$40 call. And so that's the way it looked at the time.

262

00:54:30.160 --> 00:54:55.630

Dan Fitzpatrick: and the objective is to generate income from both sides of the market. Now this is the thing a lot of people use covered calls. In other words, they buy the stock, and they just sell the call. What I do is I kind of juice it. It's more like a high octane covered trade where I think it's kind of a mildly bullish strategy. If you were really really bullish on the stock



263

00:54:55.630 --> 00:55:02.029

Dan Fitzpatrick: you're not going to sell calls, you're just going to say I'm buying the stock, and when it gets up to 45,

264

00:55:02.030 --> 00:55:11.719

Dan Fitzpatrick: then I'll kind of figure out what I want to do with it. But this is really a strategy where I look at it and say, I really don't think it's going much lower.

265

00:55:12.550 --> 00:55:38.089

Dan Fitzpatrick: so I don't mind selling a put. And, by the way, what's the put that I sold? I sold the \$35, put clear down here, and if the stock falls back to 35 bucks, and again, my cost basis is like, what did I say? 33, 76, or something like that? I'm actually buying it below where this likely test is. So I like this chart

266

00:55:38.290 --> 00:56:03.470

Dan Fitzpatrick: for that reason. But most people buy the if they're going to do covered strategies, they're buying the stock, and then they're selling an upside call. I say, if you you've got a good sense of what the stock is and where it's going, and all that. You buy the stock, sell the call, but also sell the put. So you get double your fun, double your money, and the only caveat is if the stock comes down

267

00:56:03.720 --> 00:56:10.510

Dan Fitzpatrick: to where you're selling the put where you're obligating yourself to buy more. Your your reaction has to be

268

00:56:10.780 --> 00:56:38.320

Dan Fitzpatrick: well, good. I wanted to buy it down there. That's really the key to this strategy. You don't just kind of do it on anything. Okay? So this is what I just explained. But what we really are looking for is a stock that's kind of in a trading range. It's not trending down because you can say you could look at Lord knows any number of stocks and say, Oh, well, like, I want to do this on

269

00:56:38.330 --> 00:57:05.979



Dan Fitzpatrick: on one of the Fab 7 or Lag 7, whatever they are. Now, I want to do this on Facebook or this or that? Well, those stocks are trending down. And so those are. Maybe those are viable candidates for other types of trades, but not this type. So remember, it comes from strategy. You're looking at. You start with the stock. That's the S. The S. Part of the smart

270

00:57:06.000 --> 00:57:08.280

Dan Fitzpatrick: trading approach stock

271

00:57:08.520 --> 00:57:16.749

Dan Fitzpatrick: and strategy. So your strategy is covered strangle. That's what you're kind of looking for. Okay, well.

272

00:57:17.470 --> 00:57:23.160

Dan Fitzpatrick: this isn't a stock like this. Just just because I mentioned it.

273

00:57:26.080 --> 00:57:27.670

Dan Fitzpatrick: Meta isn't

274

00:57:27.850 --> 00:57:45.960

Dan Fitzpatrick: a stock that suits the strategy that you're looking for. Now you can also back into it and say, Okay, well, I'm looking at such and such a stock. What would be the strategy that I would employ on this to me, Meta? The strategy for Meta would just be to move on

275

00:57:46.090 --> 00:58:08.230

Dan Fitzpatrick: to something else. I don't know what you do with this, but so the point is, you can look at it, and you can say strategy 1st and then look for a stock that suits that strategy. Or you can see a stock that for whatever reason appeals to you. And then you can say, okay, this stock. I think there's a trade here. What is it

276

00:58:08.250 --> 00:58:16.930



Dan Fitzpatrick: but those 2 s's go together, stock and strategy, strategy and stock? Are you guys getting. This is this making sense to you?

277

00:58:20.210 --> 00:58:20.995

Dan Fitzpatrick: Okay,

278

00:58:22.180 --> 00:58:37.779

Dan Fitzpatrick: So that's the objective of the trade. So the outcome, the outcome of the trade. There could be 3 outcomes. 1st of all, both options expire worthless. All right, you get to keep 4, 29 in premium.

279

00:58:38.300 --> 00:58:45.129

Dan Fitzpatrick: And so your cost basis is 38, 73, you still have the stock.

280

00:58:45.720 --> 00:58:54.640

Dan Fitzpatrick: You'd subtract 4, 29 to that. And your cost basis. Your new cost basis is 34, 44, and guys

281

00:58:56.550 --> 00:58:57.550

Dan Fitzpatrick: again.

282

00:59:01.050 --> 00:59:11.030

Dan Fitzpatrick: you've effectively 34, 12 is the low here 34, 14 is the low here. So you've effectively

283

00:59:11.300 --> 00:59:22.770

Dan Fitzpatrick: bottom ticked the stock on your buy close enough. You've bought this thing right at the Low, and that's a good thing to do on a stock. By the way, that actually.

284



00:59:25.250 --> 00:59:28.250

Dan Fitzpatrick: it kind of looks like crap. However.

285

00:59:28.830 --> 00:59:57.549

Dan Fitzpatrick: this daily chart, you know I wouldn't do this with leaps. Long term equity, anticipation, securities for those of you who care. I wouldn't do that with these. But with this for the next few weeks, or something to me, this is a good trade, so this is outcome, one. Now outcome. 2 is the stocks called away at 40, remember? So you've got a profit on the stock of a buck? 27 plus. You keep the put

286

00:59:57.640 --> 01:00:22.719

Dan Fitzpatrick: because that's going to expire worthless. You keep the call, and so, and that those both of those combine for \$4 and 25 cents credit. So you combine that the 429 I mean, plus the 1, 27 that you make on the profit on the stock. You've made 5 and a half bucks, 5.5 6 bucks on a stock

287

01:00:23.030 --> 01:00:32.650

Dan Fitzpatrick: where your cost basis was what? 34, 44. That's a 14.3 5% return

288

01:00:32.890 --> 01:00:36.839

Dan Fitzpatrick: in a few weeks, and in a crappy market like this.

289

01:00:37.710 --> 01:00:41.890

Dan Fitzpatrick: Thank you, sir. May I have another? Now? Outcome? 3.

290

01:00:42.260 --> 01:00:46.289

Dan Fitzpatrick: The stock falls below 35 bucks again.

291

01:00:48.360 --> 01:00:56.779



Dan Fitzpatrick: Okay, so it falls below 35 bucks, and you got to buy more stock. So you own 38, 73,

292

01:00:57.050 --> 01:01:21.930

Dan Fitzpatrick: that's and then you keep your cost, but you keep the premium, and so your 1st cost basis is 34, 44. Then you got to buy the rest of this at 35 bucks. The cost basis on your second tranche is 33, 30. So you take your cost basis on your 1st one.

293

01:01:22.190 --> 01:01:29.449

Dan Fitzpatrick: You take your cost basis. On your second one. Add those together. Divide by 2. You're you own, twice as much

294

01:01:29.640 --> 01:01:37.200

Dan Fitzpatrick: as you initially bought, but your cost basis is 33, 87.

295

01:01:37.460 --> 01:01:40.800

Dan Fitzpatrick: And that is like, right down here.

296

01:01:40.940 --> 01:01:56.989

Dan Fitzpatrick: Okay, so are you guys getting the the viability of this strategy. So this is kind of the summary here, between 35, and 40, you keep the premium. There's your cost basis, your new cost basis above 40.

297

01:01:57.130 --> 01:02:01.290

Dan Fitzpatrick: You make 5, 56, below 35.

298

01:02:01.620 --> 01:02:24.340

Dan Fitzpatrick: Now you got more stock. You've kept all the premium, but your cost basis on all of your stock is 33, 87. So and this is really the trading points that I want to make. They can reduce your cost basis in stocks by a lot. It's got to be the right stock. You got to be willing to own the stock



299

01:02:24.340 --> 01:02:51.730

Dan Fitzpatrick: if it's assigned to you. You need to understand margin requirements. You just have to understand that you're going to have to have a margin account to do it, and the type of stock again, like you're looking for a stock that suits your covered call strategy neutral to modestly Bullish. You don't do this on stocks that are screaming higher, and you don't do this on stocks that are screaming as they fall, so

300

01:02:53.250 --> 01:03:19.710

Dan Fitzpatrick: don't hope it's not hope and hold. It's a proactive strategy, and it profits on the X and the y-axis. It profits on the y-axis. If the stock moves up, even if it moves down, if you want to look at it that way. But then it also profits on the time axis on the x-axis, the time the passage of time. So it gives you a chance to get a really really solid stock

301

01:03:19.710 --> 01:03:25.909

Dan Fitzpatrick: at a good discount. But again, make sure you like the stock. Make sure that your

302

01:03:25.970 --> 01:03:39.239

Dan Fitzpatrick: I won't even say your worst case scenario. But scenario number 3, where more stock gets put to you make sure you would be okay with that stock. And one thing about this type of thing when you think about it.

303

01:03:39.350 --> 01:03:45.199

Dan Fitzpatrick: how many times have you seen a have you seen a chart, or you've seen a stock.

304

01:03:45.360 --> 01:03:48.400

Dan Fitzpatrick: and and you're looking at it going like crap.

305

01:03:48.630 --> 01:04:14.560

Dan Fitzpatrick: I missed that entry. I knew I should have bought it yesterday or the day before, or something like that. I dang it. I wish I had a second bite at the apple. Okay? Well, you can do that by at least selling puts on it, because



what you're saying is, if the stock happens to fall back to or close to or beyond whatever the price that I wish I had bought it for before.

306

01:04:14.690 --> 01:04:17.950

Dan Fitzpatrick: Well, there's my second chance. I'll get to do it.

307

01:04:18.070 --> 01:04:29.509

Dan Fitzpatrick: But then I also keep some money for taking the chance that I would have to do what I want to do, anyway. And then you say, All right. Well.

308

01:04:29.660 --> 01:04:31.399

Dan Fitzpatrick: I missed the move.

309

01:04:32.270 --> 01:04:38.559

Dan Fitzpatrick: Damn it, I missed the move. But yeah, I'll buy it more if it comes down. On the other hand, though.

310

01:04:39.040 --> 01:04:53.090

Dan Fitzpatrick: maybe I'll go ahead and buy the stock by a little bit now, and and cover my bases by selling and out of the money call. So I reduce my cost basis in what I like. Let's say, I'm just

311

01:04:53.460 --> 01:05:22.360

Dan Fitzpatrick: picking this off the top of my head. Let's say your your real buy point was where you'd like to have bought was 33 bucks. Okay? Well, the stocks at 35 bucks now. So you kind of feel like you missed the move. What's that? 7% above where you wish you'd bought it. And so you go. Crap, you know. I wish I bought it for 33 bucks. Okay? Well, if you buy the stock at 35, but you sell an out of the money call where you get \$2 for it.

312

01:05:22.550 --> 01:05:38.650



Dan Fitzpatrick: Guess what your cost basis in the stock is 33 bucks. So there's any. There's a lot of different ways that you can play this. And that's why I really like this strategy. And the other thing is this. You don't have to do it all at one time.

313

01:05:38.990 --> 01:05:47.479

Dan Fitzpatrick: You can buy the stock and say, All right. Seems like it's going up. So maybe I'll buy the stock right now and sell the put.

314

01:05:47.600 --> 01:05:52.189

Dan Fitzpatrick: and then, as the stock goes up, I make money on the put, but I'm not going to sell the call yet.

315

01:05:52.370 --> 01:06:09.880

Dan Fitzpatrick: I'm going to wait for the stock to go up a little bit more, and then I'll sell the call. So you kind of do what's called legging into it. You kind of put on these different legs on it, and you can kind of trade around it. Whatever you want to do. We did that. I just kind of put it on a

316

01:06:10.490 --> 01:06:29.879

Dan Fitzpatrick: several months ago, when when mystics, you know the micro strategy double your fund was going through the roof, and we made a bunch of money on that. We could have made more if I had just kept adjusting. But I didn't do that. So, anyway, this is a strategy that works so.

317

01:06:29.880 --> 01:06:33.440

Scott McGregor: Again. We have a bunch of questions about this. Can I throw them at you?

318

01:06:33.770 --> 01:06:40.030

Dan Fitzpatrick: Why, yes, you can, Scott, that's it for my Powerpoint guys. Now we're in the bonus round.

319

01:06:40.030 --> 01:06:53.529



Scott McGregor: Awesome. So April is asking, Is this a strategy for a week, trade or longer? And then Mark is kind of building on that, like, how much time do you decide to buy if you're trying to do this.

320

01:06:53.530 --> 01:07:06.610

Dan Fitzpatrick: Yeah, that's it. Look, that's a good question. And and it most assuredly is to do weekly options, or you can like I did this longer term. Just for various reasons. I put it out

321

01:07:06.960 --> 01:07:29.590

Dan Fitzpatrick: what? 4 weeks, or something like that, just because I wanted to get more premium and and increase the chances that it was going to be a pretty good trade, and I think I kind of looked at it this morning, and for for this one. I think it's kind of like a break, even something like that. I think it's pretty much

322

01:07:30.930 --> 01:07:36.330

Dan Fitzpatrick: at at Breakeven. So that is, let's see.

323

01:07:41.390 --> 01:08:11.230

Dan Fitzpatrick: Yeah. So I put this on. I'm down 28 cents on the whole thing, but as time passes and we get closer to expiration as long as the stock stays kind of where it is in that general range. This will start making money. So this is the kind of thing where? Okay, I'm comfortable with that, because it doesn't, doesn't expire for a while, but for weekly options I think the best way to do that to get the most premium is to be

324

01:08:11.300 --> 01:08:16.869

Dan Fitzpatrick: like buying the stock or putting on the whole trade on a Thursday

325

01:08:17.240 --> 01:08:40.299

Dan Fitzpatrick: or Friday, Friday, but sometimes Thursday kind of works, too. But the expiration is not like the following day. It's the following Friday, so it's Thursday. Let's say you buy the stock and you sell the call and sell the call and put you look to next Friday as opposed to tomorrow, and that's those are the.

326



01:08:40.560 --> 01:08:55.269

Dan Fitzpatrick: Those are the expiration dates that you would sell, because during the last 45 days of an options. I don't think you should ever be selling options that are more than 45 days out.

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01:08:55.450 --> 01:09:10.490

Dan Fitzpatrick: I just kind of feel like it's not the best I was going to say stupid, but I don't think it's that. I just think it's not the best strategy you can be selling several options with shorter strikes.

328

01:09:11.279 --> 01:09:23.779

Dan Fitzpatrick: and with that expire within 45 days. And the reason is this is perfect. If you look at the time decay, you look at the decay of the value of an out of the money option.

329

01:09:23.859 --> 01:09:42.540

Dan Fitzpatrick: Let's say this is 45 days out, or this is 45 days out. Once you start to get into the last 45 days, the value of that option really starts to drop fast. And so that's when you want to sell, you know you sell it

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01:09:42.540 --> 01:10:01.729

Dan Fitzpatrick: at 5 bucks a week later. It's at 4, 75 a week after that it's at 4 bucks, etc, etc, because each passing day gets you that much closer on a percentage basis to the final expiration date. If you sell an option

331

01:10:02.230 --> 01:10:06.929

Dan Fitzpatrick: that has 60 days or 90 days to expiration.

332

01:10:08.120 --> 01:10:19.010

Dan Fitzpatrick: Okay, well, what's going to happen between 90 days and 89 days, or 85 days, or even 80 days? Do you know what's going to happen? Not a damn thing.

333

01:10:19.010 --> 01:10:47.299



Dan Fitzpatrick: Nothing is going to happen, because oh, it's 90 days. Well, it was 95 days. Well, it's 85 days. Nobody cares. But the last 45 days is when these things really start to lose value. Why am I mentioning this? 1st of all? That's just a concept that you know. But if that's the case, that within over the last 45 days the option starts to really, really drain its value.

334

01:10:47.900 --> 01:11:03.970

Dan Fitzpatrick: What do you think happens with when there's only 5 or 6 or 7 days left in the value in the lifespan of a put or a call that you're short. That thing starts dropping

335

01:11:04.050 --> 01:11:23.360

Dan Fitzpatrick: like a stone. And so that's kind of the way you could. That's the way you could do that. But you just again like you got to calculate it out and make sure that if you get put the stock you're gonna you're gonna go ahead and take that now, Chris Rizzo, a friend of mine, who's a member here.

336

01:11:24.230 --> 01:11:43.359

Dan Fitzpatrick: He's been making total bank with this I communicate with him every once in a while. He's been doing it for years, and he's crushing it. I actually asked him if he would consider contributing to stock market mentor or to Option Market Mentor, and he goes.

337

01:11:43.520 --> 01:11:49.880

Dan Fitzpatrick: No, I'm I'm just kind of too busy doing my thing, and I think his thing

338

01:11:50.030 --> 01:12:01.520

Dan Fitzpatrick: is making money. So the bottom line is this stuff works. And yes, you can do weekly options on it. Absolutely. Okay. What else, Scott? We got some more on this.

339

01:12:01.670 --> 01:12:12.449

Scott McGregor: Yeah, Dan, Robert is noting that earnings are coming up on May 12.th Does that change the structure of how you construct one of these trades?



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01:12:12.970 --> 01:12:15.110

Dan Fitzpatrick: Oh, on, on, microstrategy.

341

01:12:15.480 --> 01:12:16.890

Scott McGregor: Microchip.

342

01:12:16.890 --> 01:12:20.950

Dan Fitzpatrick: Oh, oh, oh, microchip!

343

01:12:21.240 --> 01:12:41.910

Dan Fitzpatrick: I didn't know. But yeah, I mean, it certainly would. Yeah, it certainly would change that. So. And yeah, I mean. This is the kind of thing where I'll wait and see how this, how this trades as we get closer to earnings. So it really kind of, you know, it really kind of would.

344

01:12:41.910 --> 01:12:55.180

Dan Fitzpatrick: Again, I just put the. In fact, I build this trade as a this is a test trade. So it was just to kind of learn how the platform for me to learn how the platform works and we're going to.

345

01:12:56.070 --> 01:13:22.720

Dan Fitzpatrick: We're going to add a new feature on this where? Because for me it all, it requires ease of use and efficiency, time, efficiency. I want to do something quick, so I could just move on, and with my other workload, whether it's trading or business, or whatever I want to be able to put the trade on and then spit out an email and post it on telegram and in the Omm trading room. So that'll be coming.

346

01:13:23.026 --> 01:13:28.229

Dan Fitzpatrick: So I'll be doing kind of a few a few more of these right? So anyway.

347



01:13:28.230 --> 01:13:34.170

Scott McGregor: Okay? And then Randall's asking how you scan for viable candidates for this type of setup.

348

01:13:35.185 --> 01:13:47.919

Dan Fitzpatrick: I haven't. I don't. Frankly, I don't scan for them. I think you could. I think you should. But right now all I'm doing is if I see if I see a stock.

349

01:13:48.000 --> 01:14:13.460

Dan Fitzpatrick: and I think oh, well, that could be a covered strangle. That's because that's what I'm looking to put on now for Omm, that's not being done right now. And I think it's a good transition strategy for somebody who's typically a stock trader and does want to kind of get into options. So that's that's why I'm doing this strategy. But yeah, I don't have any particular scans for this right now.

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01:14:13.460 --> 01:14:13.780

Scott McGregor: Okay.

351

01:14:13.780 --> 01:14:17.039

Dan Fitzpatrick: I really just. And I use stockwatch for this.

352

01:14:17.250 --> 01:14:19.839

Dan Fitzpatrick: I just look for stocks that I like.

353

01:14:19.850 --> 01:14:48.559

Dan Fitzpatrick: and I start there and then if something. There's a lot of stocks that'll come up on a list where? Yeah, I really like them. They fit my criteria, but they're not really set up for a perfect entry to buy a stock on a squirt that's going to come out and start moving higher. But, geez! You know, the fundamentals look good. Moving averages are both trending. Higher growth is good. It's really really good. The prevailing trend is up. Huh!

354



01:14:49.230 --> 01:14:53.319

Dan Fitzpatrick: What trade can I put on this? And maybe it'd be the covered strangle.

355

01:14:55.350 --> 01:15:11.920

Scott McGregor: Great. And then we have a question from Mark asking about Kroger again and looking for a way to kind of put this strategy on this stock, asking, Would your strategy be? Sell the call above the channel, and sell the put below the channel.

356

01:15:12.320 --> 01:15:27.249

Dan Fitzpatrick: Well, if you own, if you own the stock, if you own the stock, yeah, you could certainly do that, and I don't know what? The I don't have my trading platform open. But yeah, I mean, if you own the stock, you can sell

357

01:15:27.490 --> 01:15:34.499

Dan Fitzpatrick: 75 is probably too far out of the money, but you could sell, and I don't know if they have like

358

01:15:34.860 --> 01:16:03.709

Dan Fitzpatrick: 72 fifties, or whatever it is. But yeah, you could sell the out of the money call if you wanted to. And then if the stock pulls back, yeah, you're going to make a lot of money on that. But and then, but then selling, selling the out of the money put like selling the put down here below. And these are these are not even numbers like 65, 70, 75. But like, let's say you're selling the put down here. Okay.

359

01:16:04.810 --> 01:16:07.040

Dan Fitzpatrick: that here's the thing. With that

360

01:16:07.430 --> 01:16:17.049

Dan Fitzpatrick: it's so far out of the money that. Who are you going to sell it to? Who's going to look and say, Oh, I want to buy the put

361



01:16:17.280 --> 01:16:18.230

Dan Fitzpatrick: at

362

01:16:18.330 --> 01:16:45.799

Dan Fitzpatrick: 68 bucks, or 67 bucks, or whatever it is, nobody. I shouldn't say nobody. But that's not a high probability trade that somebody's going to actually take the other side of your trade and buy the put that you're trying to sell for very much money. They're just not going to do that. And so your better strategy on this, if you're if you want to set something like this up

363

01:16:45.970 --> 01:16:48.740

Dan Fitzpatrick: is to sell an out of the money call.

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01:16:49.170 --> 01:16:56.320

Dan Fitzpatrick: and then when the stock and I think I'm probably describing a when when the stock starts to pull back.

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01:16:56.560 --> 01:17:06.570

Dan Fitzpatrick: That's when that's when you're starting to sell an out of the money put after it comes back to where like, let's say, it's down here

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01:17:06.870 --> 01:17:13.660

Dan Fitzpatrick: now, selling a put down here is more of a viable strategy. So you kind of

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01:17:13.760 --> 01:17:22.930

Dan Fitzpatrick: you kind of oscillate back and forth on this. And this is why these types of trades, these can go on for a long period of time. If

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01:17:23.090 --> 01:17:32.929



Dan Fitzpatrick: you're never getting the call, or you're never getting the call or the put assigned to you, I mean, if you get the put assigned and you keep getting more and more stock.

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01:17:33.040 --> 01:17:39.280

Dan Fitzpatrick: That's fine, you know. You can keep doing that. But as far as always, getting the stock called away.

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01:17:39.700 --> 01:17:52.460

Dan Fitzpatrick: that's the end of the trade unless you want to keep it going. And then you just buy more stock or you decide, okay? Well, I don't want want the stock called away. So then you buy the call back

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01:17:52.620 --> 01:18:02.100

Dan Fitzpatrick: that you sold it that you sold, and if the stock is close to that strike price like, let's say, let's say you sold

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01:18:03.530 --> 01:18:24.980

Dan Fitzpatrick: well, we'll use this. Not the greatest example. But let's say you sold the the \$71 call again. There probably isn't such a thing. But let's say you sold the \$71 call for \$2 and 50 cents a while ago. Okay, well, this is going to expire on Friday, and

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01:18:25.190 --> 01:18:46.440

Dan Fitzpatrick: you sold it for \$2 and 50 cents. Well, since it's almost ready to expire, it's not going to be worth that much more than the 71, 56. So it's not going to be worth much more than a dollar 56. In other words, just from the price that you get to

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01:18:46.690 --> 01:18:55.249

Dan Fitzpatrick: from the price that you've sold it for. And I think I might have screwed this up. And I said, like a \$71 call. The point is.

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01:18:55.360 --> 01:19:03.090



Dan Fitzpatrick: if you're still able to make a profit on your call, even though

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01:19:03.220 --> 01:19:30.799

Dan Fitzpatrick: you know the stock's going to be called away from you. If you're still able to make a profit, you can actually be buying that call back. You're uncovering your stock, and then you're just letting the stock. Go forward, go up again hopefully it will. So are you guys getting what I'm saying? Here, I'm not explaining it exactly right, but hopefully, you kind of get the. You know, you're kind of getting the drift. It's really

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01:19:31.410 --> 01:19:32.829

Dan Fitzpatrick: it's 1 of those things.

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01:19:32.940 --> 01:19:37.720

Dan Fitzpatrick: It's a very, very simple strategy once you understand it.

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01:19:37.980 --> 01:19:44.510

Dan Fitzpatrick: But when you don't understand it it can be a little daunting. But we'll get it figured out. We'll get it figured out.

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01:19:44.900 --> 01:19:55.780

Scott McGregor: Awesome good comments here. Dan April says that this is the best, not this one specifically, but your earlier explanation was the best explanation of a strangle.

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01:19:56.220 --> 01:19:57.070

Dan Fitzpatrick: All good.

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01:19:57.070 --> 01:20:08.049

Scott McGregor: Kim was saying. Thank you for doing more with option market Mentor Kim was feeling overwhelmed and lost. And so you, getting more involved evidently is, is super helpful.



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01:20:08.460 --> 01:20:20.030

Dan Fitzpatrick: Yeah, I'm glad to hear that, Kim. And and yeah, we've had. People have been kind of struggling over at at Option Market Mentor. And it's it's certainly not

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01:20:20.300 --> 01:20:31.919

Dan Fitzpatrick: certainly not anything that that Sam's been doing. Sam trades the way he trades. And he trades really, really. Well, it's more just a function of

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01:20:32.650 --> 01:20:36.160

Dan Fitzpatrick: of people not truly understanding

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01:20:36.280 --> 01:20:46.480

Dan Fitzpatrick: what he's doing. And one thing, and I absolutely would encourage this from Sam or anybody else that's trading publicly.

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01:20:47.790 --> 01:21:06.610

Dan Fitzpatrick: Don't switch to a strategy that you don't. That's not kind of really your specialty, just because that's what people want. I mean, you can do that sometimes if you want, it's like, well, the customer's always right, maybe not in trading. Maybe not.

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01:21:07.420 --> 01:21:09.939

Dan Fitzpatrick: And I'll kind of end with this.

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01:21:10.820 --> 01:21:23.179

Dan Fitzpatrick: There's a like. I remember I mentioned this this a few times before that years and years ago, when I was really more active in options, there was a time when



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01:21:23.300 --> 01:21:37.219

Dan Fitzpatrick: the market was just not conducive to buying calls. It was really is just really a bad market for doing that kind of not dissimilar to this market. And so I was. I told people like

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01:21:37.720 --> 01:22:00.579

Dan Fitzpatrick: I can't find any stocks where you buy calls on right now. I think it's a losing trade. So this is when you kind of keep your powder dry and do other things. And so I got an email from somebody really nice lady and said, Yeah, but I have an Ira, and I am on margin, and I am qualified for options. But the only thing that I can do is buy calls.

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01:22:00.710 --> 01:22:07.430

Dan Fitzpatrick: And I emailed back. And I said, Yeah, I get that. But this isn't the right time

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01:22:07.880 --> 01:22:14.379

Dan Fitzpatrick: to be buying calls. And her response to me was, Yeah, but that's the only thing that I can do.

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01:22:15.710 --> 01:22:20.899

Dan Fitzpatrick: And I said, Well, I got nothing for you. So the point is.

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01:22:21.720 --> 01:22:41.389

Dan Fitzpatrick: you have to go through the process smart, and you have to be looking at. The market is the oh, and I'm not just talking about the S. And P. Is the market environment conducive to your strategy. If it is, do it exercise your strategy with

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01:22:41.490 --> 01:22:55.610

Dan Fitzpatrick: not so reckless abandon. But if it's not conducive to your strategy, don't insist on an environment that doesn't exist just because you want that environment.



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01:22:56.140 --> 01:22:57.020

Dan Fitzpatrick: We.

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01:22:57.280 --> 01:23:08.809

Dan Fitzpatrick: you know, like Mick Jagger said. You know you can't always get what you want. But you're going to be crushed by your greed. Something like that. So, anyway, Scott, you know that.

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01:23:09.180 --> 01:23:11.360

Scott McGregor: Absolutely. Yeah, okay.

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01:23:11.360 --> 01:23:12.130

Dan Fitzpatrick: Doing here.

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01:23:12.130 --> 01:23:17.299

Scott McGregor: Yeah, we got 2 more questions here, Dan, and then we'll get going, because you have been going for nearly an hour and a half.

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01:23:17.300 --> 01:23:30.910

Dan Fitzpatrick: I know, and I'm really trying to keep these to an hour out of respect for people's time. I think that it's really important. I don't want people to go like Oh, crap! I gotta watch an hour and a half of Fitzpatrick, so.

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01:23:30.990 --> 01:23:41.269

Scott McGregor: But we do have a question just about the slideshow strategy. Someone's asking how they can read it again. I was just gonna reply, watch the recording, take a screen.

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01:23:41.270 --> 01:23:41.610



Dan Fitzpatrick: Yeah.

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01:23:41.610 --> 01:23:45.270

Scott McGregor: Is, that is, that is that what you want people to do.

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01:23:45.270 --> 01:24:04.990

Dan Fitzpatrick: Yeah, that's what I'd like you to do, because that's the kind of thing that I'm going to be. I'm going to be going over this in more detail in the course that I'm going to be teaching in a few weeks. So I'm not going to send out the Powerpoint, and and there'll be more in that course. But but yeah, that's what I would do is just do that.

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01:24:05.240 --> 01:24:12.959

Scott McGregor: And then Vincent is asking about Pltr. Saying it's trading at 91 looks like support is 89

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01:24:13.300 --> 01:24:20.010

Scott McGregor: is the 89 put sell to open like. Could you do the strategy that you're talking about with this.

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01:24:20.330 --> 01:24:33.389

Dan Fitzpatrick: You gotta like the if you like this, if you like Palantir at 89, then sure. But I don't know. That supports it at 89. Maybe it is, but I think you're.

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01:24:34.340 --> 01:25:01.489

Dan Fitzpatrick: I think you're kind of imagining that there's going to be support at 89, and there may very well be, but if this kind of falls through here, it could be at 86, 87, 85, and there'd still be nothing wrong with the stock, so I'll literally answer it like this, if you are willing to buy the stock at 89 bucks, and then

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01:25:01.490 --> 01:25:18.030

Dan Fitzpatrick: less the premium that you take in for the 89. Put then, yeah, this is a good strategy for you. But if you're just doing this based on technicals, this is not the best, not really the best setup for you.



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01:25:18.510 --> 01:25:20.209

Dan Fitzpatrick: I'll just end it with that.

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01:25:20.460 --> 01:25:34.159

Scott McGregor: And then last, one here from Harry asking about core noting. Core is on the on deck list, holding up in market turmoil. The moving average matrix works. But the earnings report are coming up. What are your thoughts here?

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01:25:34.160 --> 01:25:39.368

Dan Fitzpatrick: Yeah, yeah, for earnings. Reports are coming up. What's that? In a few weeks?

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01:25:40.450 --> 01:25:45.700

Dan Fitzpatrick: yeah. The only way at this point, the only way I would buy the stock

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01:25:46.050 --> 01:25:51.049

Dan Fitzpatrick: would be if it started moving the other way because of

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01:25:51.440 --> 01:26:01.159

Dan Fitzpatrick: because of earnings. It's kind of like you. There's only a limited lifespan in any long trade here, and if the stock's moving down, then

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01:26:01.290 --> 01:26:03.639

Dan Fitzpatrick: is it just going to reverse and

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01:26:03.880 --> 01:26:10.910



Dan Fitzpatrick: and run back up? No, if it's moving down like, look what it did here, which is kind of the same thing.

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01:26:11.300 --> 01:26:26.649

Dan Fitzpatrick: It's the same thing. This was on really high volume. This was on. Excuse me right here. This was on. Well, we're still in today. This is on lower volume. But look what this did. It gapped up above the prior day's high.

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01:26:28.020 --> 01:26:30.869

Dan Fitzpatrick: and it closed down below

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01:26:30.960 --> 01:26:40.269

Dan Fitzpatrick: the prior day's low. That's a bearish, engulfing pattern here. This gapped up above the prior day's high, and is now trading

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01:26:40.320 --> 01:27:02.690

Dan Fitzpatrick: below the prior day's low. So we've got really the same thing here. And what happened after this? Did it kept going down for a few days, and even now is not even back up to here. So I could see this same thing happening. It looks to me like this is, I wouldn't be doing this right now.

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01:27:03.160 --> 01:27:06.149

Dan Fitzpatrick: And yeah, I wouldn't be doing this and

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01:27:06.650 --> 01:27:12.212

Dan Fitzpatrick: the on deck thing. I don't go in and curate that every every day that would be

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01:27:13.840 --> 01:27:38.159

Dan Fitzpatrick: That would take somebody doing a full time job. I'll set that up like maybe once a week or something. So you need to be watching. You need to be focusing on the price action there and then I see Vince, yeah, you were



into trade track last night, really liking this, but still figuring it all out, and there is some stuff to figure out, but it's already oh.

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01:27:38.230 --> 01:27:43.960

Dan Fitzpatrick: it's already showing me some terrible patterns that I have. Well, that's good news.

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01:27:44.490 --> 01:27:50.249

Dan Fitzpatrick: You've learned something new about terrible patterns that you have. And so what's the next step?

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01:27:50.930 --> 01:28:00.480

Dan Fitzpatrick: Don't make any of those terrible patterns again. So congrats on that. I think that's awesome, really, really good to know that Vince.

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01:28:00.750 --> 01:28:23.909

Scott McGregor: Even if someone just learns that about themselves, Dan, and like cuts out a majority of the bad things that they're doing like. Isn't that worth a subscription fee to be able to figure yourself out and be like, Oh, wow! I tend to buy the tops all the time, and I tend to sell the bottoms. What am I doing wrong here? And then, boom! They fix that problem, and they're on a whole new trajectory with their trading life.

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01:28:24.120 --> 01:28:33.290

Dan Fitzpatrick: Yeah, it makes a it makes a big difference. And I've mentioned this before. You know Mark Minervini is a friend of mine. I've known him for about

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01:28:33.510 --> 01:28:44.940

Dan Fitzpatrick: about at least 10 years, I guess. I think. Yeah. And when I was I was talking to him one time we were having dinner, and I said, You know, I still really kind of don't.

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01:28:45.350 --> 01:28:56.450



Dan Fitzpatrick: I'm having a hard time with some of my trades, and I'm not really. I know I'm doing something wrong, but I'm not really sure what it is. And he said, Hey, Dan, just do this

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01:28:56.450 --> 01:29:15.910

Dan Fitzpatrick: print out your last 20 trades, and he'd already had his trade tracker on his site. I guess you could say we're competitors, but we're really not. We're kind of compadres because he does his thing, and I do mine. But, he said, he goes. Just print out your charts and

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01:29:16.290 --> 01:29:32.600

Dan Fitzpatrick: take a green pen and point out exactly where you bought. Then take a red pen. Point out exactly what you sold or where you sold, do like 20 of those, and send them to me. You could either mail them to me, or just pdf them, and he goes.

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01:29:33.210 --> 01:29:47.470

Dan Fitzpatrick: It'll take me about 15 min, and I'll tell you exactly what you're doing wrong. And I said, Oh, geez, you know, that's okay. Like one of the greatest traders I'm aware of is going to do that. They're going to help me with my trading

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01:29:47.580 --> 01:30:02.720

Dan Fitzpatrick: super. And so I spent an entire weekend doing that. It takes a long time to kind of do that, because on that you got to be really precise, which exact day did I buy because it makes a difference. And so

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01:30:03.370 --> 01:30:04.980

Dan Fitzpatrick: I got about

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01:30:05.620 --> 01:30:15.179

Dan Fitzpatrick: 3 quarters of the way through. I think I did about 15 charts, and I didn't even have to go back and look at them. I knew as I was doing it.

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01:30:15.890 --> 01:30:18.740

Dan Fitzpatrick: I'm buying too high. I'm chasing.

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01:30:18.860 --> 01:30:29.909

Dan Fitzpatrick: I'm chasing, and then I'm getting shaken out when the stock comes back. And I've taught this concept before, because I, flipping, invented it. You have a sloppy

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01:30:30.490 --> 01:30:35.459

Dan Fitzpatrick: entry with no concept of risk.

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01:30:35.910 --> 01:30:45.219

Dan Fitzpatrick: You just buy the stock right? This is when I came up with my smart strategy was from this kind of thing. You buy the stock

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01:30:45.770 --> 01:30:50.579

Dan Fitzpatrick: going like, yeah, I know it's going to go higher. And then when it pulls back.

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01:30:50.830 --> 01:30:54.160

Dan Fitzpatrick: as I have since learned it well.

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01:30:54.660 --> 01:31:19.769

Dan Fitzpatrick: it pulls back. And now, all of a sudden, you get religion and say, Oh, I have to manage my risk, and you put in a stop. Invariably you get stopped out, and then the stock takes off without you like that is, that's just like what happens when when you're at least for me. That's what happened when I was trading, and I called Mark up, and I go like dude. I'm going to save you 15 min.

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01:31:19.770 --> 01:31:47.379



Dan Fitzpatrick: I'm not going to send you my charts. I'm actually kind of embarrassed. I know exactly what I'm doing wrong. And I said, I'm buying too high. And he laughed. He goes. Yeah, I figured as much. Just you going through the exercise would be enough for you to learn what you're doing wrong, because most people do not make 15 mistakes. They don't make 5 mistakes. They probably make 2

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01:31:47.450 --> 01:31:59.959

Dan Fitzpatrick: again and again and again, and when I told him I said, You know I'm going to build a trade tracking tool for for my subscribers, and he goes

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01:32:00.290 --> 01:32:02.829

Dan Fitzpatrick: well, you know you can't charge for that right

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01:32:03.010 --> 01:32:05.520

Dan Fitzpatrick: unless you like. Want to put it in

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01:32:05.630 --> 01:32:10.430

Dan Fitzpatrick: for your subscription or something, but you know you can't charge for that. And I said.

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01:32:10.790 --> 01:32:40.239

Dan Fitzpatrick: Well, I certainly intend to charge for it, because I'm spending a lot of money doing it. And he said, Well, you're really not going to be able to do that because people don't like to track their trades because they don't like to learn how much they suck, he said. Most people they'll start to track, and then, with within a very short period of time, they lose interest. They stop tracking. And it's because they don't like the results that they're getting. It's kind of human psychology. And

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01:32:41.020 --> 01:32:43.939

Dan Fitzpatrick: what was it? Trade, view or trader view?

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01:32:44.280 --> 01:32:56.289



Dan Fitzpatrick: They have a trade tracking app. And I talked to. I talked to this guy, one of the the owners ages ago, and he kind of said the same thing.

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01:32:56.420 --> 01:33:11.280

Dan Fitzpatrick: he said, Yeah, we'll reach out to every single person that cancels and say, like, Why did you cancel? And it's either because I'm not trading anymore or well, because I've blown up my account.

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01:33:11.480 --> 01:33:22.979

Dan Fitzpatrick: And frankly, both of those are actually the same. When you blow up your account, you stop trading, and so the moral of the story for me is, no.

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01:33:23.640 --> 01:33:40.910

Dan Fitzpatrick: I'm going to make it so that serious traders you need to track your trades, but I ain't going to charge you a boatload of money for it. I'm going to make it frankly so inexpensive that anybody who's I'll say it smart and serious about trading is going to go like.

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01:33:41.110 --> 01:33:42.179

Dan Fitzpatrick: wait a minute.

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01:33:42.780 --> 01:33:50.489

Dan Fitzpatrick: I forget what it is. 80 bucks, 70 bucks, maybe less than that. I forget. That's not the kind of thing I focus on. But

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01:33:50.800 --> 01:33:52.860

Dan Fitzpatrick: you're going to look at that and go. Well.

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01:33:53.360 --> 01:33:59.679

Dan Fitzpatrick: that's pocket change. If I can learn like, Vince said. If I can learn stuff that I'm doing wrong.



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01:34:00.360 --> 01:34:05.580

Dan Fitzpatrick: I mean, why would I not do that? And so is this kind of a sales pitch?

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01:34:06.130 --> 01:34:27.389

Dan Fitzpatrick: I guess it is. I guess it is, but all I'm saying is, if you're serious about what you're doing, you have to track your trades. You don't have to be totally anal retentive about it, if that's not your way to go, but you got to at least do it. So you get a general idea, and if you're doing that I promise you this, you'll never be confused.

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01:34:27.540 --> 01:34:34.120

Dan Fitzpatrick: never! You will never be confused. If you're tracking your numbers, you'll know exactly what you're doing.

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01:34:34.430 --> 01:34:39.829

Dan Fitzpatrick: So, Scott. I think that's all that I have, and it's probably more than I needed.

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01:34:40.210 --> 01:34:45.960

Scott McGregor: Awesome session, Dan. Just a quick note. Someone had a question about Fibonacci's on my chart.

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01:34:45.960 --> 01:34:46.380

Dan Fitzpatrick: Oh, yeah.

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01:34:46.380 --> 01:35:10.299

Scott McGregor: Some bitcoin charts. I had some fibs up there, and just so everyone knows I have been testing out a new system for finding bottoming support zones. You may remember our friend Rick Dacosta, that we've had on over Option Market Mentor a handful of times. He introduced me to something he calls the golden pocket. And so I've been testing out his golden pocket strategy for



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01:35:10.300 --> 01:35:23.169

Scott McGregor: buying kind of at the low end of the range and understanding where long term impulse supports have been so just if anyone sees that I'm not ready to like teach it yet. I haven't mastered it, but I am trying to

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01:35:23.170 --> 01:35:30.990

Scott McGregor: add that to my strategy for kind of buying at the bottom of the range and stuff like that. So if you see that on my chart. That's what's going on.

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01:35:31.900 --> 01:35:32.760

Dan Fitzpatrick: Perfect.

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01:35:33.326 --> 01:35:46.740

Dan Fitzpatrick: All right, Buddy. Well, I think I think our time here has ended. Guys hope everybody got a lot out of this, and if you did awesome if you didn't. Sorry about that.

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01:35:46.740 --> 01:35:50.110

Scott McGregor: Awesome session, Dan, we'll talk to you all soon.

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01:35:50.110 --> 01:35:52.209

Dan Fitzpatrick: All right, Scott. Thanks for your help, brother.

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01:35:52.210 --> 01:35:52.969

Scott McGregor: See you, man.