Strategy Session

August 21, 2025

Scott noted that the market is in a choppy consolidation phase, with the SPY sitting on its 21-day EMA. The market's uncertainty is largely attributed to the upcoming Jackson Hole symposium and Fed Chair Powell's speech , which could be perceived as hawkish given the drop in rate cut probabilities from the high 90% range to the 70% range. He advised remaining directionally bullish but cautious, protecting profits, and using staggered stops. Scott mentioned that historically, the market tends to go higher after the Fed begins an interest rate cutting cycle. He noted that while major indices are consolidating, the small caps have shown a decent bounce. Scott's overarching message was that in a choppy market, traders should reduce position size, cut losers fast, and look for stocks showing relative strength.

Next Steps:

1. Remain cautious and protective of profits.
2. Stagger stops and be prepared for volatility following the Jackson Hole symposium.
3. Look for dip-buying opportunities near key moving averages.
4. Monitor the market's reaction to Fed Chair Powell's speech rather than trying to predict what he will say.
5. Keep an eye on individual stocks showing relative strength during this choppy period, as they are likely to lead when the market trend resumes.
6. Specifically, set alerts for potential breakouts on stocks such as Uber (UBER) at $96.72, General Motors (GM) at $57.40, Dollar Tree (DLTR) at $113.75, Comfort Systems (FIX) at $732.75, Mastercard (MA) at $594, American Express (AXP) at $310, and Sports Trader Group (SRAD) at $31.85.
7. Consider trading with smaller position sizes and cutting losing trades quickly in the current choppy market environment.

Transcript:

0:00: Hey everyone, good evening.

0:02: It's Scott at Scottrades on X with Stock Marketmentor.com and your strategy session.

0:08: It's Thursday, August 21, 2025.

0:12: I hope you had a great day.

0:13: A bit of a choppy one here on the indexes where we have SPY, just kind of sitting on the 21 day EMA.

0:20: We do have the Jackson Hole symposium tomorrow.

0:23: Kind of feels like a bit of a de-risking leading up to whatever Fed Chair Powell might say, and it does seem like there is a bit of hawkishness out there, as Fed rate cut probabilities have dropped from the high 90% down to the 70% range, still a high probability of a cut, but any uncertainty is looked upon, in my opinion, as hawkish.

0:52: So, We just kind of gotta take it as it goes, even if they do cut rates, they're not gonna do it till the end of September anyways.

1:00: So there is a lot of time between now and then for the market to really digest any new economic data and any new speeches that Fed Chair Powell may give.

1:11: So I think we want to remain directionally bullish, but not complacent in this tape right now.

1:17: I think we just want to be careful and protect our profits, stagger stops if we get taken out of partial positions, that's OK.

1:25: We'll look for dip buying opportunities near key moving averages.

1:29: Ultimately, the market should resolve to the upside, as I mentioned in my crypto market mentor video yesterday.

1:36: You know, the, the market has a history of going up after the Federal Reserve starts an interest rate cutting cycle.

1:43: Now, in every, pretty much every instance, other than the 2008 financial crisis, lowering interest rates is bullish and leads to the markets being higher a year later.

1:56: So just keep that in mind, within this consolidation that we're in right now, that if they do cut rates, and it looks like they're probably going to cut rates, Though, like I said, it won't happen till the end of September.

2:07: After that happens, we should have a decent move into the end of the year and into 2026.

2:13: Now, of course, anything can change between now and the, you know, the middle of next year.

2:18: So, again, that's where you don't want to be complacent.

2:21: You do want to stick to your stops if you Get taken out of a position because of volatility.

2:26: That's all right.

2:26: Just wait for that chart to set up again, look for another entry.

2:29: QQQ a little weaker.

2:31: It's down still above the 50 day moving average, but under the 21 day for a second day in a row.

2:36: Yesterday, I tried to rebound, unable to do it.

2:39: This technically is a higher low.

2:42: Now we just need a higher high, ideally bringing us back above that 21 day EMA.

2:47: So once we get that clarity from Fed Chair Pal tomorrow, Whether he says that yes, we're going to cut rates or yes, you know, whatever he says, doesn't really matter what he says.

2:56: What matters is the reaction to what he says.

2:59: So if we do get a positive reaction following his speech, then we'll we'll look for this, QQQ index to get back above that 21 AEMA.

3:09: Meanwhile, the small caps have actually done really well.

3:12: Nice bounce today off that 21 day EMA.

3:14: That's the blue line I have on the chart, by the way, in case you, didn't pick that up by now.

3:18: A decent strength here, bit of a low volume bounce, but it is nice to see green.

3:22: If you are looking at IWM, I think you just want to make sure you have a stop rate under today's intraday low, use that 21 day EMA as your guardrail.

3:32: Semiconductors under the 21 day EMA, under the eight day, still above the 50 day.

3:37: Just feels like consolidation though, doesn't it?

3:39: Like everywhere I look, we're getting a bit of a breakdown in charts, and that doesn't mean that we're going to go straight down to zero and fill these gaps to the downside, though of course that can happen.

3:50: Anything can happen.

3:52: But I just think that this is a good time to rest.

3:55: And historically, as we know, August and September.

3:59: Kind of choppy months.

4:00: So I think it makes sense to just let this consolidation play out.

4:04: Don't let any FOMO get to you, unless we have any real change in terms of, rate policy, economic policy, monetary policy or anything, and we're not expecting that for, like I said, until the end of September, we should just kind of grind around a little bit and as long as we continue to hold up above that 50 day moving average, we should be OK here, at least in the semiconductor index.

4:27: Home builders are back above the 200 day moving average, and we're getting a bit of a golden cross here, where the 50 day moving average is crossing back through the 200 day moving average after a long drawn out consolidation.

4:38: This again is long-term bullish for interest rates going down, and interest rates going down, that's good for home builders because loans are cheaper, interest is cheaper, etc.

4:49: etc.

4:49: So this, I think, I think it needs to tighten up.

4:52: I would like to see much tighter price action.

4:54: This is a bit wide and loose right now, but I think if that can tighten up, then you should be able to look for some nice.

4:59: Clean entries, just not giving us that right now.

5:02: Meanwhile, financials are looking pretty darn good.

5:04: They're in and out trend above all the key moving averages and just kind of grinding sideways here.

5:08: Did come down to the 50 day moving average at the beginning of August, but we got a bounce, we got a higher low, and then we've got some upside back through all the key moving averages here.

5:16: So like this sideways consolidation, we'll look at a couple of banks here tonight.

5:21: Gold A bit sleepy, if I'm being honest.

5:25: You know, we're getting a nice move in gold miners, but gold just seems to be not doing anything.

5:30: And, with rates potentially going lower, you know, maybe we should get a move up in gold, but the dollar is showing a bit of strength here.

5:39: At least it did today, Green Day on the dollar.

5:41: So, Weakness here in gold.

5:43: You know, I said to my friends at Crypto Maretmentor, I think it was last week, you know, I actually thought that this was going to break down kind of waterfall out of this, this consolidation, but it's not doing that.

5:53: It's just going sideways right now.

5:55: If I flip to a weekly chart, we can see it's still in a weekly up chart.

5:58: It looks like a bit of a high weekly pennant, which again, we need to find a resolution to this pattern.

6:04: So let's see.

6:05: Does it go up or down?

6:06: We don't know yet, but at least we know that it's in a tight range and we know what to look for.

6:11: Gold miners are leading.

6:14: The metal's higher, higher high here on GDX coming on higher than average volume.

6:18: You know, we got a bit of a fake breakdown here on Tuesday, but it fixed itself and made a new high, so that looks like just an annoying shakeout, and we've all been part, part of those, but this looks OK, right?

6:29: Like, I think it's a good volume on the day, higher high, no complaints.

6:34: When the spy is down, when the queues are down, when gold is down, But the miners are rallying, I think that's a good sign, at least for this.

6:41: So keep an eye on that.

6:43: Meanwhile, silver, in consolidation, still above all the key moving averages.

6:47: You can see I've drawn this down or sloping trend line of resistance, resistance there, there, there, there.

6:51: We want to see it get above, stay above, and do it on volume.

6:53: Right now, near-term support is down near that 50 day moving average.

6:58: Bitcoin breaking down a bit right now, under the 50 day moving average on I bet.

7:03: If I flip over to BTC, you can see it's still in and around 112.

7:07: If we see some lower prices, I'm looking for a a bit of a bounce around 110, 111.

7:12: I think we have to stay above 108 to avoid some really sharp volatility down.

7:18: The short-term holder cost basis, meaning anyone who holds Bitcoin in the short term, their cost basis is 108K.

7:26: So the closer we get to 108K and if we get in and around that area, we might get some lettuce hands selling of anyone just looking to punch out as it comes back down to their price.

7:36: So, keeping an eye on Bitcoin, low or low today, don't love it, don't love the price action on ibit.

7:41: We actually Closed out our ibit trade today over at Crypto Maretmentor.

7:46: We still have a handful of traits that are working just fine, but, I just want to be protective just because we want a pattern of higher highs and higher lows.

7:54: And if we start getting to lower lows, just means you want to be protective.

7:57: Ethereum is in consolidation, even though we have people like Tom Lee saying he wants to buy $20 billion billion dollars with a B of Ethereum in the next, little while.

8:08: Just consolidating here with the rest of the crypto space, and I think that's healthy, considering this has had such a big move.

8:14: I mean, remember, in April, ETHA was $11.

8:19: And the high was up around 35.

8:21: So this has gone up a lot in a short amount of time.

8:26: Consolidation is healthy.

8:28: Just want to see this tighten up a little bit, go sideways, give us a nice space and give us a clean entry.

8:33: Nothing right here right now, in my opinion.

8:35: We tried to trade some ETHU over a crypto market Metro today, but there's just nothing going on.

8:40: Just, just, you know, a, a bit of a, a lower high here, you know, it worked for like a cup of coffee and then Just kind of broke down.

8:47: So, close that out right away.

8:49: But, that's just kind of the market we're in right now.

8:51: It's just a bit of a chop fest, and you want to be cutting losers fast.

8:56: You know, if you're in a trade and it's not working, get out, because the whole reason you bought the thing is for it to work.

9:02: And that's just the environment that we're in right now, unfortunately, we will get back to a trending environment, but when we're not, it's just usually better to trade small and trade less.

9:12: Dollars I mentioned is just coming off the lows a bit.

9:15: We'll watch to see if there's a reaction to Fedi Powell on this tomorrow.

9:18: Meanwhile, the 10 year, if I zoom out all the way, you can see this has been in a long range for a while and no real resolution here on rates.

9:26: So we'll see again if we get any guidance.

9:28: I kind of think we're not going to.

9:31: The VIX, up off the lows, but still under the 200 day moving average, still under the 50 day, so no real move here on the VIXs, no real fear in the market just yet.

9:39: Let's get to some stocks, and we'll start things off with Uber.

9:42: And Uber is looking OK.

9:44: It's in an up trend above all the key moving averages, little resistance right now, 9672, but I would look for this to, push through that level.

9:52: I would have an alert on Uber at 9672 or just around that area.

9:57: I look for a move above on volume.

9:59: Best spot to buy is really down near the key moving averages.

10:04: You know, we got a bit of a cup, maybe it's handling out, you know, if the market is weak, this is just gonna chop like everything else, but I do like the fact that this is green on the day, and it hasn't been breaking down like a lot of other stocks.

10:16: EAB bounced just above that 21 day EMA.

10:19: Bit of a sharp flag here.

10:21: You know, I don't love these type of, channel patterns, but if the market does fix itself tomorrow, you'll want to watch to see if Elab can get above 180, 50 and do it on volume.

10:32: That would break it out of this, little consolidation that it's in.

10:36: So far close strong.

10:37: Decent volume yesterday, nice bounce on the day, little follow through.

10:41: There's still an ugly downside reversal bar here, but again, looking for relative strength in a choppy, sloppy market, and that's what you want to do right now, in my opinion.

10:50: If you're in a market where it's hard to make money, you want to find the stocks that are holding up the best because when the market turns around, typically that's the stock that's gonna go.

10:59: So this stock is looking OK.

11:00: They bought the dip yesterday, bounced off the 21 day, probably needs a little more consolidated.

11:06: Something like this, some longer, you know, maybe a month or two of sideways chop.

11:10: But, again, this is something that's pretty interesting for a breakout to learn on so far, I'd probably have one way up here at around 25, 15 and look for a move through coming on volume.

11:22: General Motors has a big cup pattern.

11:26: This is showing some decent relative strength as well.

11:28: It's above all the key moving averages, and every dip to the 21 day in the last couple of weeks has been viable.

11:34: So keep an eye on GM, maybe have an alert on GM at around 5740 and look for a move through that level coming on volume.

11:44: Dollar Tree is looking interesting here.

11:46: Bit of a phase two pullback after a really big rally through that 200 day moving average, but looks like pretty healthy consolidation.

11:53: They do have earnings coming up in 13 days, but we'll want to see if we get a reaction tomorrow and a break back above that 8 and 21 day EMA.

12:02: Maybe have an alert on Dollar Tree at 11375, 11375 on DLTR.

12:10: Here's Comfort Systems.

12:11: It's ticker FIX.

12:13: Haven't covered this one for a while, I think I covered it for a chart of the day a while ago, but recently it had its earnings.

12:19: Looks like in July it's held that earnings gap, tested it here yesterday with the dip.

12:24: They bought that dip, and it's still holding up really well.

12:26: So again, looking for relative strength in a choppy market, Fix has it.

12:31: Keep an eye on Fix, maybe have a breakout alert on FIX.

12:36: Just above that high, that's 7:32, 75, 732 75 on FIX.

12:42: Look for a move through that level coming on volume for a fresh high.

12:47: Here's Bitmine immersion.

12:49: This is Tom Lee's Ethereum Treasury Company, Ticker BMNR consolidating with the rest of the crypto space, but this is definitely one to watch.

12:57: As I mentioned, Tom Lee is looking to buy $20 billion worth of Ethereum at one point.

13:04: Excuse my voice.

13:05: I'm sorry, I have a cold.

13:07: 200 bills of Ethereum is what he wants to buy eventually, and he is, Tom Lee's company is the leading Ethereum treasury company, just like MicroStrategy is the leading Bitcoin treasury company.

13:20: So this is definitely one to watch.

13:21: I see a bit of a consolidation pattern here, but no real trigger just yet, but keep an eye on this because it can be a really high flyer, as many of you already know.

13:31: This is RSI Rush Street Interactive.

13:33: I talked about this for the chart of the day.

13:35: If you didn't watch that, just watch for a move through 2035 on RSI.

13:39: Nice high base, high handle, and decent earnings the last time around.

13:45: Here's MasterCard.

13:46: This is ticker MA.

13:47: Mastercard is near the highs, which is interesting because if I bring in Visa here, we see Visa is actually still under the 50 day moving average.

13:55: So we're getting some outperformance here on MA.

13:58: Maybe, yeah, Visa could be a catch up trade, but Mastercard is near the highs, so keep an eye on MA, maybe have an alert on this at 594.

14:06: 594 on Mastercard, look for a move through, coming on volume.

14:10: And a big shout out to Renee.

14:12: Renee, in the active trading form at Stock Marketentor mentioned American Express as well.

14:17: This is looking nice and tight.

14:18: Tight consolidation, close to the 50 day, 21 day, and 8 EMA.

14:22: I love when the moving averages, converge like this.

14:25: It just shows like a good floor, right?

14:27: And if you're buying a stock, you want to know where where the floor is because if the floor breaks out, it's time to go.

14:34: Nice support down here, near the cluster moving averages.

14:36: I would recommend an alert on AXP at around 310.

14:41: Look for a move above 310 coming on volume.

14:44: Now, keep in mind, this is a low base, right?

14:46: So there is still some resistance above.

14:48: There's some right there, and there's some right here.

14:50: And there's some over here.

14:52: So just be aware of that, and that just means that you want to manage your size.

14:56: You typically wanna build a good cushion and have a good size, but on a starter position where you are under some resistance like this, just means it might be a little choppier, especially if the market continues to be choppy.

15:07: So just in this market, I think you want to be small and trade, just, just very carefully.

15:12: Once it starts to work for you, size in a little more, move that stop up to break even, take a loss off the table.

15:19: OK.

15:20: This is a bank so it's Morgan Stanley, MS Clear support down near the 21 day EMA buyers around the 21 day last couple of times, every dip underneath has been bought.

15:29: They even brought it down close to the 50 day moving average at the beginning of August, but they bought that too.

15:34: So, It's not a super clean pattern here.

15:37: You know, I saw I was looking at JP Morgan earlier today.

15:39: I actually like this pattern a little more.

15:41: Nice tight price action here on JPM.

15:44: So Morgan Stanley, decent JPM better, watch for a move through.

15:50: 295.90 on JPM 29,590.

15:55: OK, a couple more here.

15:57: Shout out to Mike in the active trading room.

15:59: I saw him post about frog, and Jay Frog is looking like a decent breakout here, way higher than average volume, up slightly after hours.

16:08: It's a bit extended from the moving averages, but again, in a market that's choppy, we want to follow and and just recognize relative strength.

16:16: This one does trade a little wide loose.

16:17: Look at these bars here, all the way up to 46, all the way down to 36.

16:21: So just watch that volatility.

16:23: Again, manage your size, but keep an eye on Jay Frog, maybe look for a pullback to the 88 to get in.

16:29: Two more for you.

16:30: This is Block ticker XYZ.

16:33: Of course, this is Jack Dorsey's company.

16:35: Just noticed a little bit of light buying today in and around the 200 day moving average.

16:40: Like other stocks, you know, it's in a bit of a choppy sloppy pattern, but I always like to pay attention to stocks that are finding buyers close to some really important moving averages, whether that's the 50 day or the or the 21 day or the, excuse me, 200 day.

16:54: And that's what we're seeing here.

16:55: You know, we're just getting some light buying here.

16:57: So it isn't in an actionable pattern right now, but again, I, I wanna watch stocks like this.

17:02: I wanna see them just form a base, just go sideways.

17:06: Give us some sideways consolidation, nice little base like that.

17:10: Show us that that, yep, that moving average cluster is support.

17:14: You know, we have the moving averages coming in like this, holding as a floor, and then we have a nice base, and then we're looking for some moves through some of the tops.

17:22: So, this is what I'm looking for to play out here on XYZ.

17:25: Just want to bring it to your attention.

17:27: Last one here, Sports Trader Group, ticker SRAD SRAD in and up trend, above all the key moving averages, bit of a downside reversal here on Tuesday with the rest of the market, but we had a nice update today on even higher volume.

17:41: So this looks like if we get some, momentum in the market tomorrow, maybe after JPA, we might see this break out.

17:47: So keep an eye, an eye on this.

17:49: Keep an alert at around 3185 on SRAT.

17:54: So guys, that's all I got for you today.

17:55: I hope that's helpful, and again, I apologize for my voice.

17:57: I'm battling a big head cold right now and I'm feeling like a bag of dirt.

18:01: So I appreciate you sticking through.

18:02: I'll see you tomorrow.