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Sirius XM Holdings Inc. (SIRI) Stock Is Still Slipping

This SIRI stock dip is an opportunity IF buyers show up

By [TYLER CRAIG](#), Tales of a Technician<http://bit.ly/2pEKPkh>

Sirius XM Holdings Inc. (NASDAQ:[SIRI](#)) has been on a tear recently. The broadcasting company known for Sirius XM Radio has seen its stock price vault higher over the past year. Since bottoming at \$3.29 last February, SIRI stock rallied as high as \$5.53, or 68%, before paring back gains last month.

Selling intensified following last week's earnings announcement. The April 27 release disappointed investors and quickly sent the stock below key short-term support levels. The downturn has been sufficient in turning the 20-day moving average lower, and the 50-day is following in its wake.

Stocks like SIRI that are nestled below their 50-day moving averages are viewed with skepticism by chart watchers. And with the stock having moved from the nice list to the naughty, don't expect any help from trend-followers looking to chase momentum.

With a disappointing earnings release now hanging over its head, there's little reason to get involved with Sirius XM shares — at least on the long side — until its technical posture improves. Specifically, we need to see the stock break back above its 50-day moving average.

Despite the weakness on its daily chart, SIRI stock's weekly chart remains bullish. In fact, the past month of selling has created a potential bull retracement pattern for longer-term investors looking to grab shares at a discount. The constructive posture of the weekly chart would prevent me from initiating bearish plays at this juncture.

With the next support level getting close at \$4.67, there isn't much room for a short trade to really flourish. The SIRI Stock Trade

Though Sirius XM Holdings has listed options contracts, they are by-and-large unnecessary. At \$4.85, the stock effectively *is* an option. In light of its technical posture, the best play on SIRI moving forward is simple. Wait for signs that the stock is rebounding, then swoop in.

You could use a break of this week's high (\$4.98) or the 50-day moving average (\$5.13) to confirm its next rally has begun. Until then — steer clear.

At the time of this writing, Tyler Craig had no positions on any of the aforementioned securities.

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