The Top “Blood in the Streets” Trading Opportunities

One of the best ways to make money in the market is to spot excessive fear.

After all, it's how some of the top investors made their fortunes.

Sir John Templeton would tell investors to buy excessive pessimism.

Warren Buffett still advises that a "climate of fear is your friend when investing; a euphoric world is your enemy." And of course, we all remember his advice to "be fearful when others are greedy and greedy when others are fearful."

Baron Rothschild would tell investors, "The time to buy is when there’s blood in the streets, even if the blood is your own." He knew that very well, considering he made a small fortune buying the panic that followed the Battle of Waterloo against Napoleon.

If you can spot fear, as they did, you stand to make a fortune.

Of course, you also need a good deal of patience and the ability to withstand volatility.

Brokerage Stocks are Blood in the Streets Opportunities

Over the last few weeks, online brokerage stocks took massive hits.

TD Ameritrade, E-Trade Financial, and Interactive Brokers all fell after Charles Schwab said it would cut all commissions for stock trading, ETFs and options on its mobile and web platforms. That began on October 7, 2019, and will be made available for securities listed on U.S. and Canadian exchanges.

The move came just days after Interactive Brokers Group rolled out its IBKR Lite service, which also cut commissions for U.S. listed stocks and ETFs. All as the entire industry faces heavy competition from upstarts like Robinhood.

While the news is devastating near-term for the industry, it also sent them down too much too soon. For example, Charles Schwab (SCHW) is ridiculously oversold technically.

Charles Schwab Corporation (NYSE:SCHW)

SCHW provides wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. Not only is SCHW oversold at its lower Bollinger Band (2,20), RSI, MACD, and Williams’ %R are also over-extended. Each time these indicators align, we typically see a push higher in the stock shortly thereafter.
E-Trade Financial Corporation (NASDAQ:ETFC)

ETFC is a financial services company that operates in the online brokerage industry that was just upgraded by UBS. In fact, analysts just upgraded the stock to a buy with a $41 price target noting that while the company’s “earnings power has clearly been diminished by the price cuts, ETFC’s customer value proposition has improved relative to peers.”
TD Ameritrade Holding Corporation (NASDAQ:AMTD)

TD Ameritrade Holding Corporation provides securities brokerage and related technology-based financial services to retail investors and traders, and independent registered investment advisors (RIAs) in the United States. It’s also incredibly oversold here. Not only is AMTD oversold at its lower Bollinger Band (2,20), RSI, MACD, and Williams’ %R are also over-extended. Each time these indicators align, we typically see a push higher not long after.