PLTR - Washout-Reversal

Short-covering off a deep-drawdown reversal, weighted to the current construct

AQI-QNT PLTR-Washout | August 31, 2026 | PLTR daily since the 2020 IPO | 20 occurrences

ARMED PLTR $186.38 - -4.0% below the 200-day high - armed, awaiting the reversal day

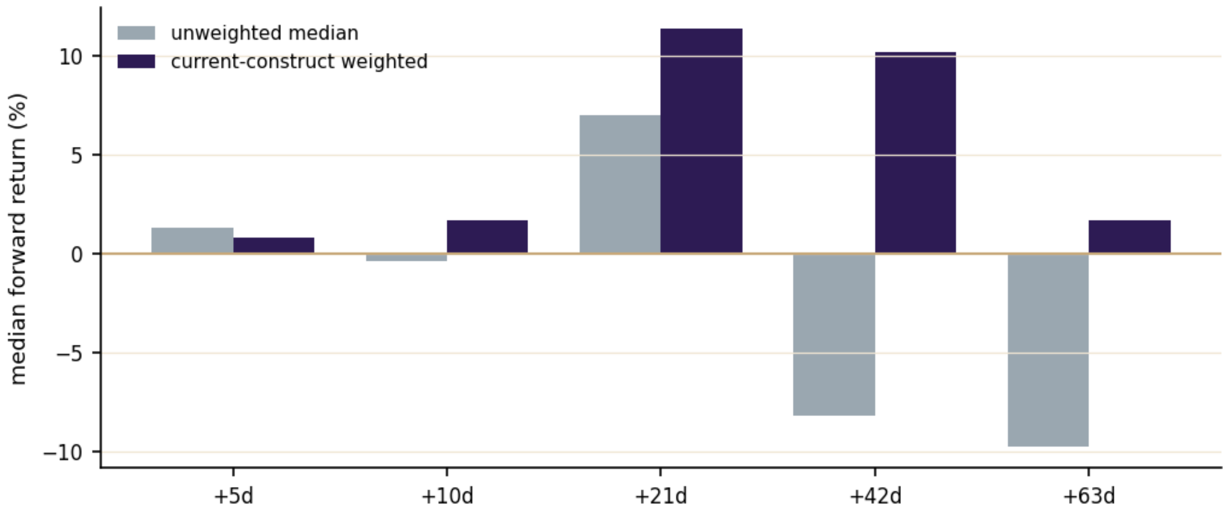
The signal

A deeply drawn-down stock that reverses hard intraday can be **short covering** - bears buying back a washed-out name. The trigger: PLTR closes at or below **70% of its trailing 200-day high** (a **30%+ drawdown**) **and** the session traded **down 2%+ intraday** (low at least 2% under the prior close) then **closed up 2%+** - a 4%+ intraday reversal. Forward returns are measured from the signal close. There have been 20 such occurrences since PLTR's 2020 IPO; the signal is **live today** at a -4% drawdown.

The current construct - why we reweight

The plain average buries the fact that PLTR's construct has completely changed. The 2021-22 events were a pre-profit, pre-index story-stock in an -80% bear, where every bounce failed. The modern, profitable, S&P-500, AI-era PLTR (2023+) turned every one of these into a winner. So the desk read applies a **current-construct weighting** - **pre-2023 x2, 2023-2025 x6, 2026 x9** - which flips the intermediate horizon from a fade to a hold.

Horizon	Median	Wtd median	Wtd average	Wtd % up
+5d	+1.3%	**+0.8%**	+2.9%	52%
+10d	-0.4%	**+1.7%**	+2.4%	59%
+21d	+7.0%	**+11.4%**	+11.5%	79%
+42d	-8.2%	**+10.2%**	+7.2%	58%
+63d	-9.8%	**+1.7%**	+17.2%	54%



The weighting flips +42d and +63d from a dead-cat fade (grey) to a constructive hold (purple). The fade was a 2021-22 bear artifact.

The regime split

~three-quarters of the 20 events fired in PLTR's 2021-22 -80% bear, where every bounce failed (that is the source of the unweighted -9.8% median at 63 days). The **modern cohort (weight x6) went 3-for-3**, all at today's *moderate* drawdown depth: **2023-01-25 (-44% dd) +7% at 63d; 2023-03-13 (-31% dd) +99% at 63d; 2025-04-07 (-38% dd) +84% at 63d**. Two were +80-99% moonshots. Today's -4% drawdown sits squarely in that modern-winner band.

The trade - buy the turn

Long PLTR off the reversal close ($133.72). **Entry:** the 3-5 day pop is the reliable get-in - but do not sell it at three weeks; the weighted edge keeps building (+21d ~+6% / 71%, +42d +10%). **Hold / target:** the 21-63 session window (weighted +63d ~+2% median / +17% average) - trail rather than time-stop. **Stop:** a close below the reversal-day low **$122.64** (-8.3%) = the turn failed. **Press on strength:** a reclaim of the 200-day puts the +80-99% tail in play - add there. **Sizing:** moderate conviction (the up-weighted cohort is n=3, so it is a regime bet).

Take-It scaled exit (75 sh @ $133.72, full 8% position)			
PROFIT-TAKER (into strength)		LOSS-TAKER (mirror)	
Take / price / move	Shares	Cut / price / move	Shares
20% $140.41 (+5%)	15 sh	20% $127.03 (-5%)	15 sh
30% $147.09 (+10%)	23 sh	30% $120.35 (-10%)	23 sh
30% $156.45 (+17%)	22 sh	30% $110.99 (-17%)	22 sh
20% $173.84 (+30%)	15 sh	20% $93.60 (-30%)	15 sh
Blended target ~ +15%		**HARD STOP $122.64 (-8.3%) - reversal-day low**	

The hard stop ($122.64, -8.3%) sits between the -5% and -10% loss rungs: the -5% cut takes the first 20% (15 sh) off, then the reversal-low stop cuts the balance. The deeper loss rungs are the invalidation zone, not scale-out levels.

Honest caveat. A weighting is a view, not new data. Unweighted, this fades hard (+63d -9.8%, 39% green). The reweight expresses that PLTR's current construct rhymes with 2023+, but the up-weighted modern cohort is only n=3 and its average is tail-carried; if PLTR is entering a genuine downtrend it reverts to the bear read - which is why the reversal-day low is the hard stop.