EVENT STUDY · TACTICAL LONG

Micron: The Gap Below the 65-Day That Wasn't

MU gapped 3.6% below a rising 65-day moving average this morning, traded down 5.8%, and closed up 5.2% — the second such reclaim in fifteen months. The first one preceded a 54% month.

SETUP	REFERENCE CLOSE	INVALIDATION	RISK TO STOP
LONG MU	$897.80	$804.00	-10.4%
SOFT STOP	**HORIZON**	**14D ATR**	**STUDY BASIS**
65d ≈ $835	5-21 sessions	$81 (9.1%)	N=1 + N=2

S — SITUATION

Micron came into today's session at $853.20, above a 65-day moving average that has been rising continuously since April 2025 and sat at $828.46. It then did three things in one day: gapped down 3.6% to open at $822.52 — below the moving average — flushed to an intraday low of $804.00 (−5.8% versus the prior close), and closed at $897.80, up 5.2% on the day and comfortably back above the reclaimed 65-day at $835.11. The stock traveled nearly twelve percent low-to-close. On the tape it reads as a forced seller meeting a very motivated buyer, at precisely the level that has defined the entire HBM-era uptrend.

The context for the rarity: across 311 sessions with a valid 65-day MA in this sample, MU has *closed* below the line only 25 times, and has traded below it intraday on only 31. The 65-day is not a casual reference for this name; it is the trend.

T — TENSION

The bull read is that today was a stop-run through the one level everyone watches, absorbed and reversed — the classic bear trap. The bear read is that a stock down 26% from its June 22 intraday high of $1,254 printing 9% daily ATRs is a stock whose distribution has changed, and that a single afternoon of dip-buying at a moving average proves nothing. What the record can adjudicate — imperfectly, at tiny N — is what has actually happened after sessions shaped like this one.

O — OPTIONS (THE EVIDENCE)

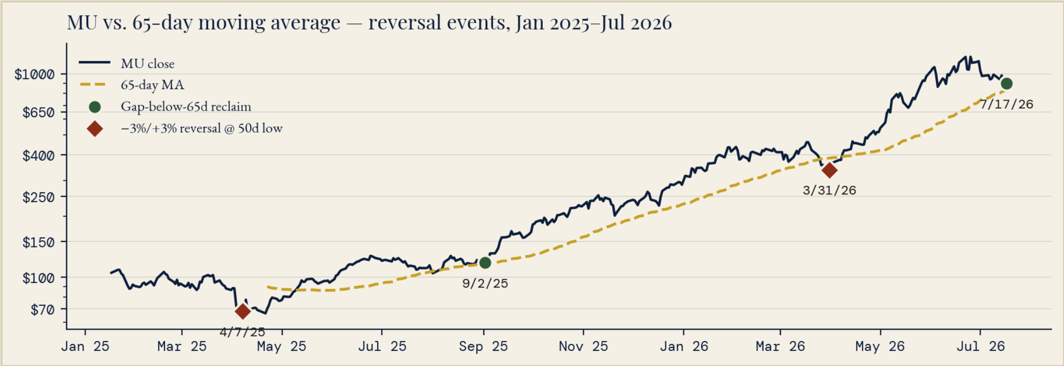
Study 1 — gap below the 65-day, reclaim by the close. Prior close above the MA, gap-down open below it, close back above it. One prior instance in fifteen months:

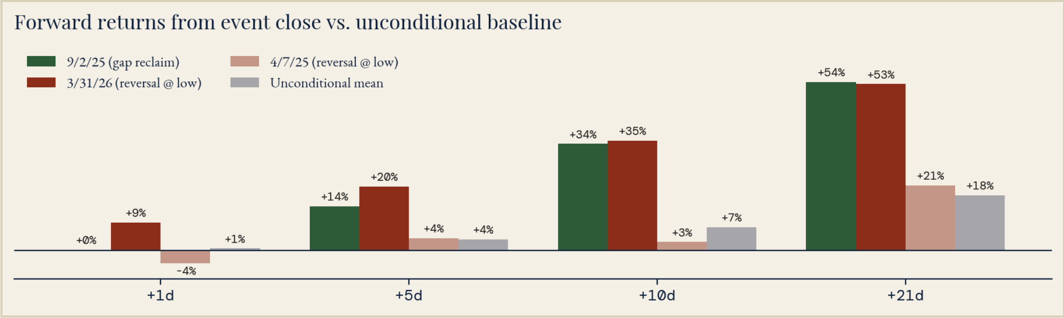
Date	Close	+1d	+2d	+3d	+5d	+10d	+21d
2025-09-02	118.29	+0.2%	+4.8%	+10.9%	+14.1%	+34.0%	+53.7%
2026-07-17	897.80	—	—	—	—	—	—

Study 2 — decline of at least −3% intraday, close at least +3% higher, on a new 50-day low print. Two prior instances, both recognizable capitulation lows:

Date	Close	Low vs prev	Close vs prev	+1d	+5d	+10d	+21d
2025-04-07	68.20	-4.9%	+5.6%	-4.1%	+3.9%	+2.7%	+20.8%
2026-03-31	337.79	-3.2%	+5.0%	+8.9%	+20.4%	+35.0%	+53.1%

Today satisfies the reversal shape of Study 2 (−5.8% low, +5.2% close) but *not* the new-low condition — the trailing 50-day low sits far below at $605.38. Today is a pullback reversal within an uptrend, which rhymes with the September 2 setup, not the capitulation cohort.





The honest baseline. MU's unconditional forward returns over this sample are themselves extreme: +17.6% mean (+14.9% median) over any 21 sessions, positive 74% of the time. A block-bootstrap of daily returns (B=10,000, block=5) puts the September-2 analog's +53.7% at roughly the 93rd percentile of unconditional 21-day paths, and +20.8% at the 62nd. The claim here is directional consistency (three-for-three positive at +21d), not a large conditional edge; N=3 clears no significance bar and is not presented as if it does.

R — RECOMMENDATION

The trade case rests less on the event-study arithmetic than on the structure: today delivered a defined-risk long at a level the market just violently defended, with invalidation unusually close for a name this volatile — a close below today's $804.00 low, or more conservatively below the 65-day near $835, ends the thesis cleanly. Against ~7–10% of defined risk, the analog map offers +14% to +54% over five to twenty-one sessions, with unconditional drift itself running +3.5% to +17.6%.

Per the desk's fractional Kelly-Thorp discipline, N=3 warrants a heavy haircut to any sizing implied by raw analog returns — a starter tranche at quarter-Kelly or below, adding only on confirmation. The 9.1% daily ATR cuts both ways; size should respect that the stop can be gapped through.

M — MECHANICS

- **Reference:** event close $897.80 (7/17/26). Entries near or below the 65-day (~$835) improve the ratio materially if offered.
- **Hard invalidation:** close below $804.00 (today's low). Soft invalidation: closing violation of the 65-day MA.
- **Analog targets:** +5d $940–$1,025 · +10d $965–$1,210 · +21d $1,085–$1,380 (Sep-2 and Mar-31 paths); prior high $1,254 is the structural magnet.
- **Adds:** per tranche state machine, on close > $950; trail via 21-day MA or hysteresis exit logic once +1 ATR in the money.
- **Watch:** memory complex confirmation (SNDK); macro tape that turns single-name reversals into beta events.

METHODOLOGY Data: BATS daily OHLC, 1/17/25–7/17/26 (375 sessions; 311 with a valid 65-day SMA of closes, which matches the source file's MA.1 field to machine precision). Study 1: prior close > 65d MA, open < 65d MA, open < prior close, close > 65d MA. Study 2: low ≤ 0.97 × prior close, close ≥ 1.03 × prior close, low < trailing 50-session minimum low. Forward returns are close-to-close from the event session. Baseline: overlapping unconditional forward returns and a stationary block bootstrap of daily returns (B=10,000, block length 5). The 4/7/25 event predates the 65-day warmup window.