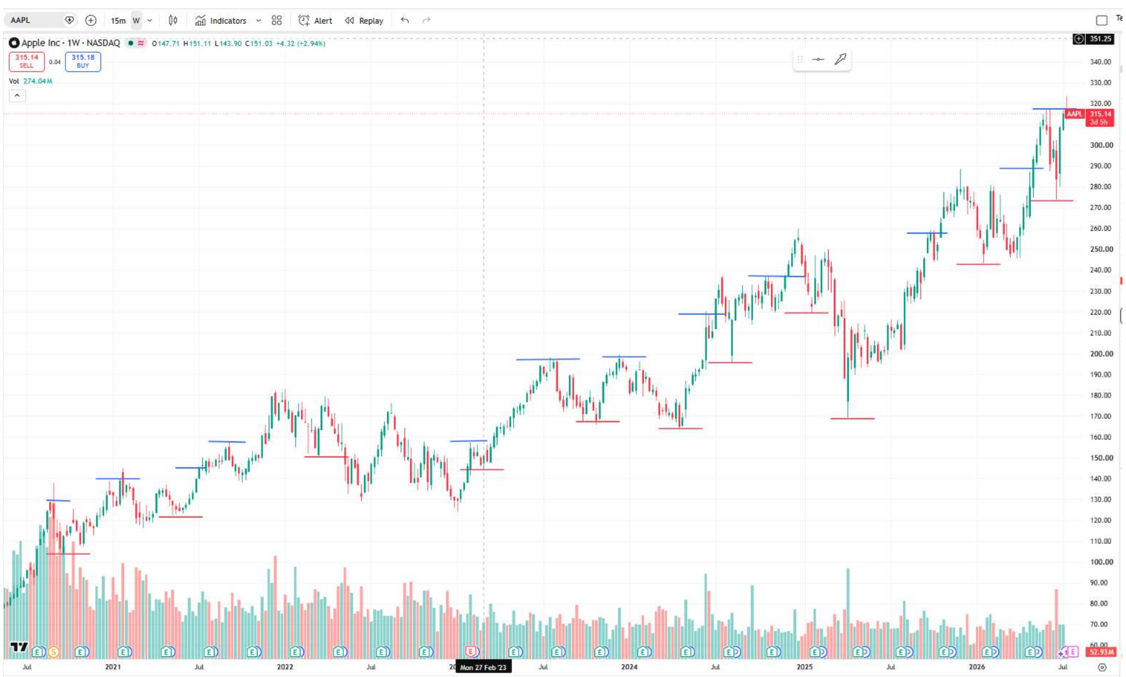
Patience Is the Key — Know the Character of a Stock

Every stock has its own character. Some run hard and never look back. Others — no matter how strong — like to come back and retest before going higher. Knowing which kind of stock you are trading is just as important as reading its chart today.

Apple (AAPL) is firmly in the second camp: **it likes to come back.**

Breakout → Pullback → Base → New High

Over the last five years (weekly chart below), Apple has moved relentlessly higher — from a low around 80 in June 2021 to 314 as of July 1, 2026. Its consistently strong price action, product moat, and fortress balance sheet make it a long-term holding. But look at *how* it made that climb.



AAPL weekly chart, 5 years

Time and again, when price broke out to a new top (blue lines), a pullback followed — often a sharp one — down to the next swing low (red lines ahead), where the stock built a base at lower levels. Only after that base did it turn and eventually print a new high. Breakout, pullback, base, new high. Again and again, for five years.

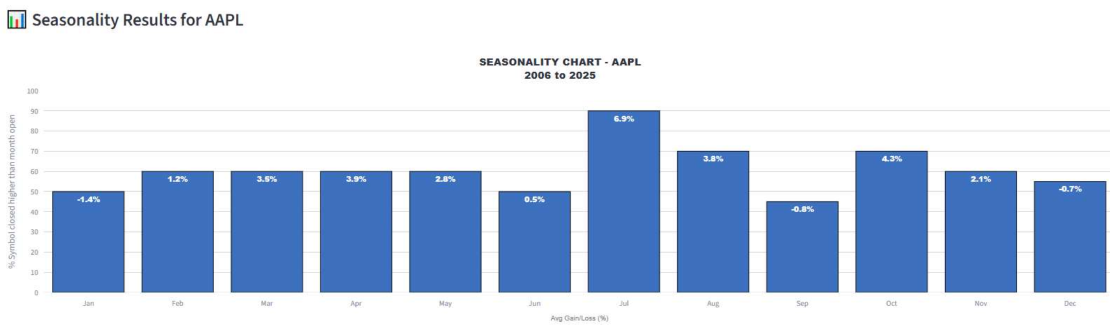
That is Apple's character. The breakout is not the entry — the pullback after it is.

Which Brings Us to Today

At the time of this writing, Apple has just made a new all-time high around 316 — and has already begun pulling back from that level, right on script. If history is a guide, chasing

Apple after a breakout does not pay. The better strategy has always been to let the breakout pass, give the stock a few weeks to come down and form its base, and take the entry on the pullback.

How long might that take this time? Seasonality offers a clue. July has been Apple's best month for 20 years running — higher 90% of the time, averaging +6.9% — so the recent strength is no accident. But from mid-August the gains historically fade, and September has averaged −0.8%, finishing positive only half the time.



AAPL 20-year monthly seasonality

The Takeaway

The pattern says Apple breakouts are typically followed by a meaningful pullback. The calendar says the soft patch historically runs through September. Put them together, and the patient play for the next entry is clear: don't chase the high — let the pullback do its work, and look for your entry once September is behind us.

Patience is the key. Know the character of the stock you are trading.

Happy trading!

Curious about the character of the stocks you follow? Our Seasonality tool covers 5,000+ US stocks and 100+ industry groups with up to 20 years of monthly history — available now at https://analyzestocks.net.

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