

Fractal Volatility Index for JNJ : 0.572. Market Wide FVI:0.478

(0 - 0.33: Stable, 0.33 - 0.66: Moderate Volatility, 0.66 - 1: High Volatility)

Red: High Risk FVI zone, Orange: Medium Risk FVI zone, Green: Low Risk FVI zone



Verv Stock Analysis Report: Johnson & Johnson JNJ FVI 0.572

Analysis Period: 2021-08-13 to 2026-08-13

The Fractal Volatility Index (FVI) is scaled between 0 and 1 reflecting the stock's overall volatility. A higher score indicates greater unpredictability and market instability.

Unlike traditional volatility indicators like VIX or Beta, FVI does not track short-term fluctuations—it detects hidden instability before it manifests in price swings.

FVI is a composite score that incorporates Lyapunov Exponent, Hurst Exponent, and Detrended Fluctuation Analysis (DFA).

Breakout Probability

Breakout Probability Score (BPS): -0.783

Breakout Probability Score (BPS) quantifies price momentum likelihood: BPS > 1.5 suggests high breakout potential, while BPS < 0.5 indicates consolidation.

(BPS > 1.5 High breakout potential - Strong momentum, watch for confirmation.)

(BPS 0.5 - 1.5 Moderate breakout likelihood - Possible move, monitor closely.)

(BPS < 0.5 Low breakout probability - Likely consolidation or range-bound.)

Request ID: FVI

Account ID: WeeklyReport

Fractal & Statistical Analysis

FVI Score: 0.572 (Fractal Volatility Index FVI)

DFA Result: 0.5171 (Detrended Fluctuation Analysis)

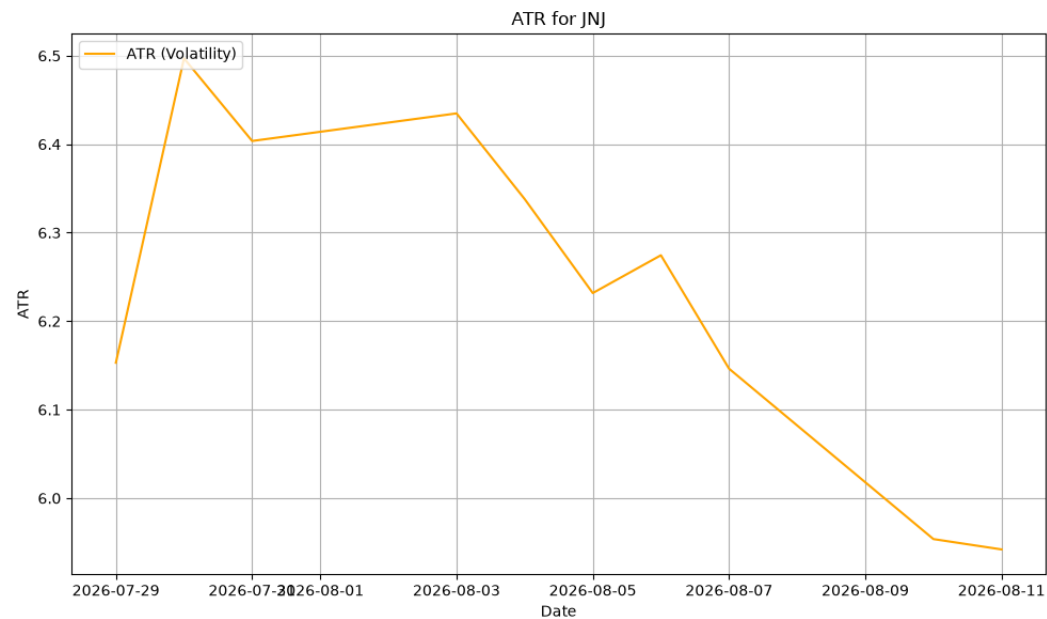
Lyapunov Exponent: 0.0167 (Measures chaos and predictability)

Hurst Exponent: 0.4947 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 259.80 is within the Bollinger Bands range (246.04 - 268.25).
Latest ATR: 5.9420

Average True Range (ATR)



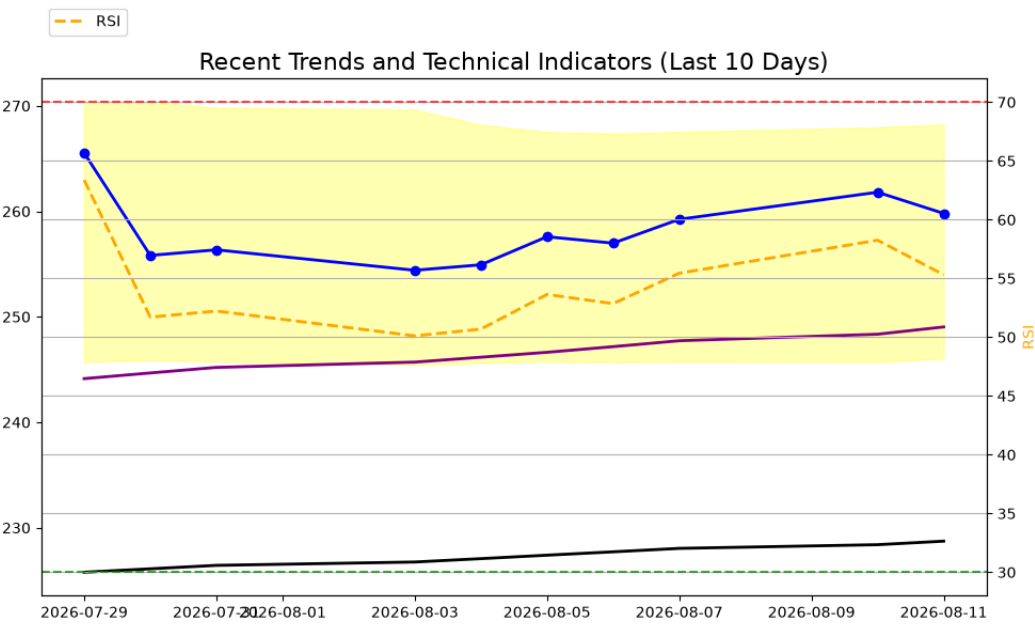
The ATR measures the recent price volatility of a stock, calculating the average range between its high and low prices over a given period (usually 14 days). A higher ATR indicates greater market volatility, and a lower ATR indicates less volatility.

Low ATR (below 2): Stable stock, Moderate ATR (2-5): Mild volatility, High ATR (above 5): Highly volatile stock

Technical Indicators

Technical indicators are based on historical price and volume data used in technical analysis to forecast financial market direction. They help identify trends, momentum, volatility, and potential entry and exit points in the market.

Technical Indicators



Left y axis - Stock Price. Right y axis - RSI range values (30 - 70)

Close Price(blue line with circles) - Key indicator of the stock's price action and is often used to identify trends or patterns. A rising close price generally indicates an upward trend, while a falling close price shows a downward trend.

SMA_50 and SMA_200 - (purple line SMA_50, black line SMA_200) Simple Moving Averages (SMA) calculated over 50 and 200 periods. Helps identify the direction of stock price trend.

Bollinger Bands - (shaded in yellow): Bollinger Bands consists of upper, middle and lower prices. The middle line is the moving average. Price reaching the upper band can indicate an overbought condition, suggesting the stock might be due for a pullback. Price touching the lower band could indicate an oversold condition, suggesting a potential buying opportunity. When the price moves outside the bands, it may indicate extreme conditions.

Relative Strength Index RSI - (orange dotted line): The RSI is a momentum oscillator that measures the speed and change of price movements. An RSI above 70 suggests the stock is overbought and might be due for a pullback. An RSI below 30 suggests the stock is oversold and might be due for a rebound. An RSI in between indicates a more neutral market condition.

AI Executive Assessment

Investment Report:

--- INVESTMENT REPORT ---

1. Volatility & Breakout Potential

Johnson & Johnson (JNJ) currently exhibits a regime of relative stability, with a Fractal Volatility Index (FVI) of 0.572, indicating a moderate level of volatility. The Lyapunov exponent, which measures system chaos and instability, is relatively low at 0.017, suggesting the stock is less volatile compared to the market-wide values. The Bollinger Bands range indicates that the stock price is not showing a strong breakout signal, and the decrease in volume by -19.24% does not confirm a strong price move.

2. Market Sentiment

The high trading volume of 626091622000 suggests institutional-driven behavior. However, the lack of a strong breakout signal and decreasing volume could indicate a cautious investor mood, possibly due to the current market-wide volatility regime.

3. Geopolitical Risk Assessment

Given the elevated global FVI indicators, JNJ may be exposed to global stress. The company's relatively low GHG impact score of 0.052 for the Healthcare sector suggests a low sectoral emissions risk exposure. However, as a globalized company, JNJ may face potential risks from tariff exposure and trade disruptions.

4. Sector and Supply Chain Exposure

As a healthcare company, JNJ may not be directly exposed to energy price shocks or supply-side inflation risk. However, the company may face indirect risks from global trade shifts and disruptions in the global supply chain, especially if it relies on Asia-sourced components or is dependent on global inputs.

--- STRATEGY RECOMMENDATION ---

Considering the current market conditions and JNJ's metrics, the stock appears to be in a consolidation phase. The optimal strategy would be a hedge strategy, given the lack of strong breakout signals and the current market-wide volatility regime. The BPS and FVI pattern do not suggest an imminent breakout.

--- FINAL TAKEAWAY ---

Despite Johnson & Johnson's relative stability, the current market-wide volatility regime and potential geopolitical risks warrant a cautious investment approach. Investors should consider hedging strategies to manage potential downside risks.

Stock Information

Market Capitalization: 626091622000, Industry: DRUG MANUFACTURERS - GENERAL, Latest Volume: 5945941, Description: Johnson & Johnson, Sector: HEALTHCARE, Price to Book: 7.43, Trailing PE: 30.39, Forward PE: 22.47, Enterprise to Ebitda: 19.41, Enterprise to Revenue: 6.73, Profit Margins: 0.215

The trading volume has changed by -19.24% over the past week, indicating potential shifts in market sentiment. Please factor this into the volatility and risk analysis.

Beta measures stock volatility relative to the overall market: 0.23

Beta of 0.23 suggests low volatility compared to the market.

Stock Investment Character Report

Analysis in view of stock characteristics and current global macroeconomic information.

Investment Character: Resilient Plodder

Resilience: 70%

Momentum: 20%

Structural Stress: 20%

Narrative Dependence: 30%

Confidence: 62%

Calculated Metrics:

- Price-Volume Divergence: 0.000

- Volatility Dissonance Index: -0.126

Evidence:

- Beta 0.231 indicates low market sensitivity
- Profit margin 0.215 suggests solid underlying profitability
- Fractal Volatility Index 0.572 vs market-wide 0.478 implies only moderate relative volatility
- Breakout Probability Score -0.783 and price within Bollinger Bands (246.04 - 268.25) indicate consolidation, not a breakout
- Recent volume change -19.24% alongside Latest ATR 5.94 (moderate) points to subdued momentum
- Valuation: Trailing P/E 30.39, Forward P/E 22.47, EV/EBITDA 19.41, P/B 7.43 reflect a richer multiple profile

Assessment:

JNJ currently presents as a low-beta, moderately volatile, profitable large-cap in consolidation. The combination of low market sensitivity, a 21.5% profit margin, and lack of breakout signals points to stability without strong momentum. Elevated valuation multiples imply quality and defensiveness are being priced, but observed trading behavior and profitability suggest price action is grounded more in operations than narrative. No clear signs of structural stress are evident in the supplied data.

Medium-Term Fit:
May suit an independent thesis seeking defensive, low-beta healthcare exposure that can persist through policy and rate-cycle noise, valuing steady operations during consolidation phases rather than relying on breakout-driven appreciation..

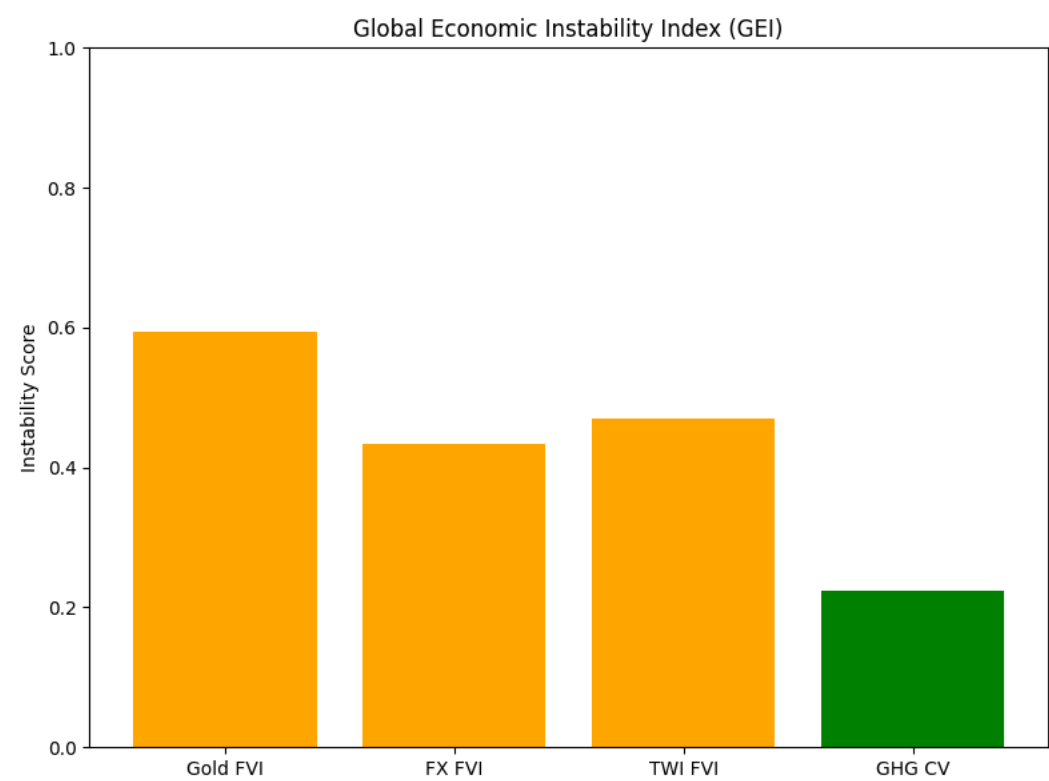
Fractal Volatility Indices

Global Geopolitical Fractal Volatility (Gold, Forex, TWI (Tariffs) and GHG Emissions)

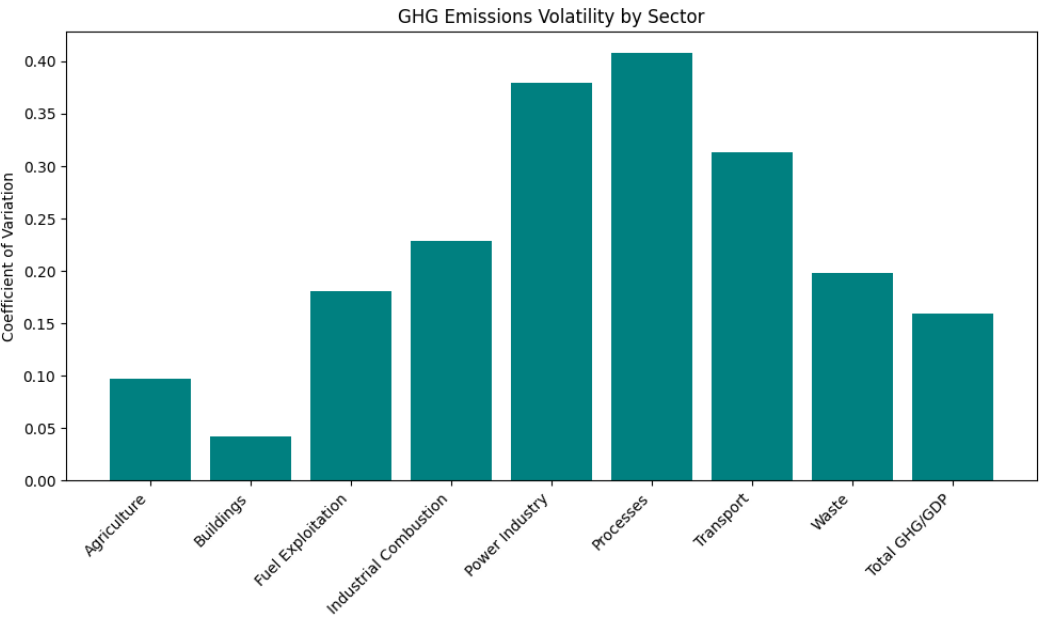
FVI_GOLD: 0.593608 => Moderate gold volatility indicates increased investor caution
FVI_FX: 0.434301 => Low FX volatility indicates relatively stable currency markets
FVI_TWI: 0.469352 => Moderate trade-weighted volatility indicates some external-sector adjustment
GHG_CV: 0.223036 => Moderate GHG sector variability indicates some sector-level carbon-risk dispersion

Primary Risk Driver: Gold volatility is a good proxy for global geopolitical risk. 0.593608.

Global Geopolitical Volatility



Volatility Indicators of GHG Emissions by Industry and GDP



Low GHG impact (0.052) for theHealthcare sector.

Disclaimer: The Fractal Volatility Index (FVI) measures structural market instability, not short-term price direction. High FVI (red dot) does not necessarily indicate a price breakout—rather, it signals unpredictable price behavior and potential structural shifts. While market instability can precede significant moves in either direction, Verv Stock Reports do not predict price trends but offer insight into underlying volatility patterns. Investors should interpret FVI alongside fundamental and technical analysis before making decisions.

_____END OF REPORT_____