

Fractal Volatility Index for MSFT : 0.554. Market Wide FVI:0.478
(0 - 0.33: Stable, 0.33 - 0.66: Moderate Volatility, 0.66 - 1: High Volatility)



Global Geopolitical Volatility



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

Verv Stock Analysis Report: Microsoft Corporation MSFT FVI 0.554

Analysis Period: 2021-05-27 to 2026-05-27

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

FVI_GOLD: 0.593608 => Moderate gold volatility, likely reflecting investor caution

FVI_FX: 0.434301 => Low FX volatility; currency markets stable for now

FVI_TWI: 0.469352 => Moderate TWI volatility; minor export/import fluctuations

GHG CV: 0.223036 => Moderate emissions volatility; sector-level uncertainty exists

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

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 Score (BPS): -0.363

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: 0.554 (Fractal Volatility Index FVI)

DFA Result: 0.4933 (Detrended Fluctuation Analysis)

Lyapunov Exponent: 0.0164 (Measures chaos and predictability)

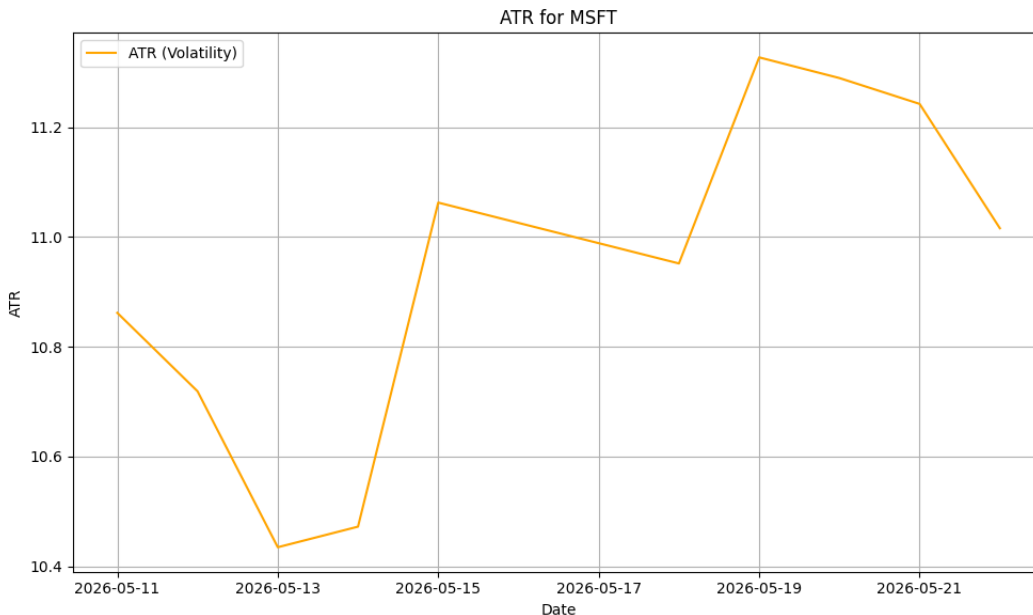
Hurst Exponent: 0.4927 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 418.57 is within the Bollinger Bands range (403.84 - 429.39).

Latest ATR: 11.0160

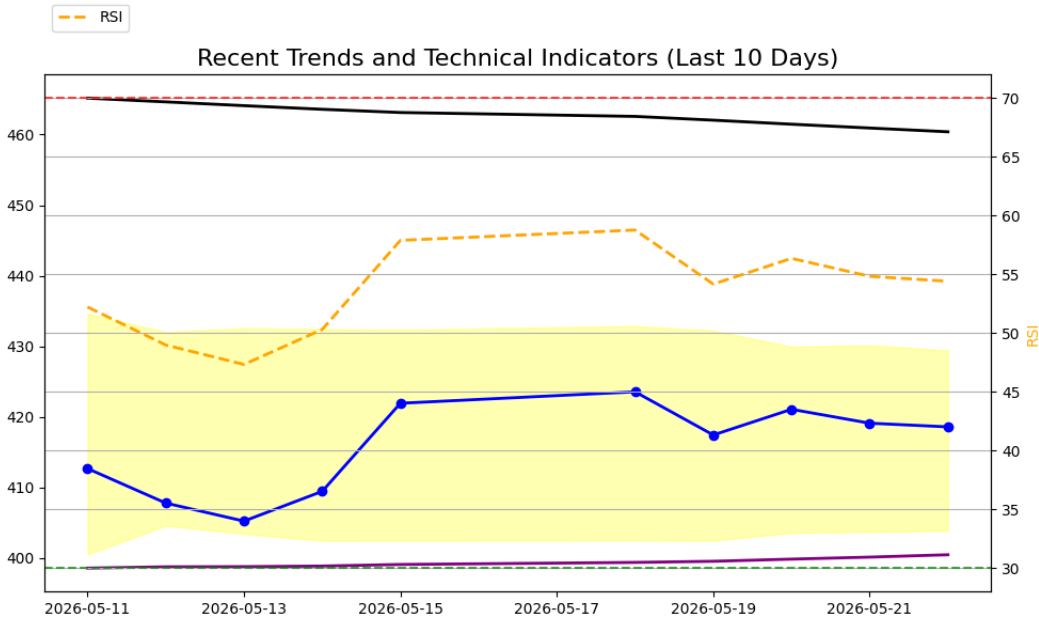
Average True Range (ATR)



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



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-Generated Market Insights

Investment Report:

--- INVESTMENT REPORT ---

1. Volatility & Breakout Potential

- MSFT appears to be in a regime of relative stability, with a Lyapunov score of 0.016, significantly lower than market-wide values. This suggests that the stock is less prone to chaotic price movements.
- The FVI of 0.554 indicates moderate volatility, suggesting a mix of acceleration and noise in the stock's price movements.
- Bollinger Bands are currently within range, and there's no strong breakout signal detected. However, the negative BPS score of -0.363 hints at a potential downside risk.
- The significant drop in stock volume (-55.90%) does not confirm the current price moves, suggesting investor cautiousness.

2. Market Sentiment

- The institutional-driven behavior, as indicated by 3109320131000, suggests a cautious market sentiment, which aligns with the stock's volatility and breakout dynamics.

3. Geopolitical Risk Assessment

- MSFT's low GHG impact score (0.048), along with moderate Gold, FX, and TWI FVI values, indicate a relatively low exposure to global stress indicators.
- As a tech company, MSFT may have some exposure to tariff risks due to its potential dependence on globalized supply chains.

4. Sector and Supply Chain Exposure

- MSFT, being a tech company, may depend on Asia-sourced components such as semiconductors. This could expose the company to potential supply-side inflation risks tied to trade instability.
- However, the company's low GHG impact score suggests a lower exposure to energy price shocks and climate-related regulations.

--- STRATEGY RECOMMENDATION ---

- Given the current market signals, MSFT appears to be in a consolidation phase.
- The optimal strategy would be a cautious trend-following approach, considering the moderate FVI and the lack of strong breakout signals.
- Despite the negative BPS, the low Lyapunov score suggests that any potential breakout might be more gradual than sudden.

--- FINAL TAKEAWAY ---

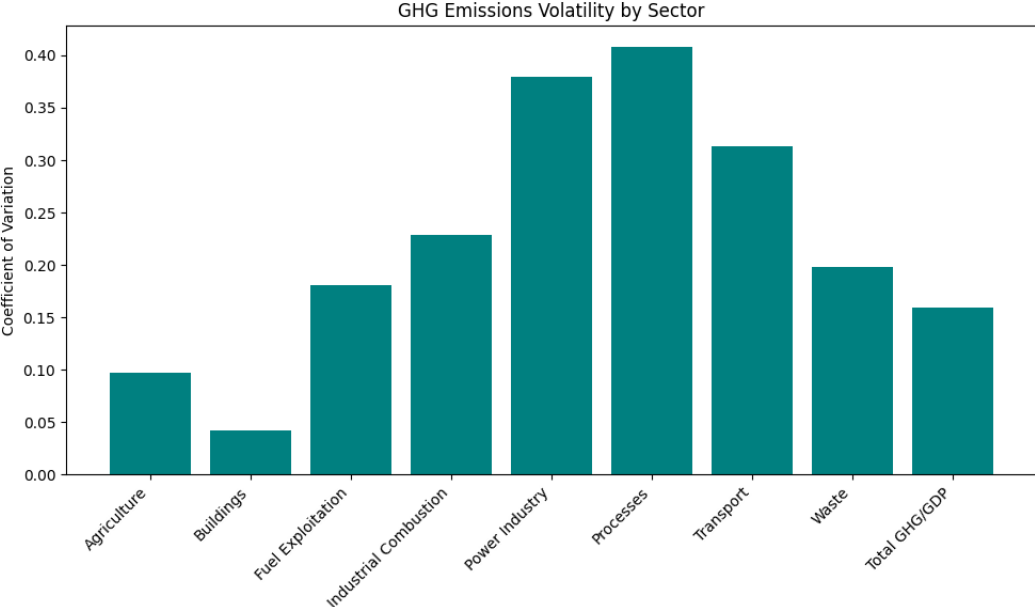
"Stable but cautious market sentiment—adopt a trend-following strategy with a keen eye on potential downside risks."

Market Capitalization: 3109320131000, Industry: SOFTWARE - INFRASTRUCTURE, Latest Volume: 22390344, Description: Microsoft Corporation, Sector: TECHNOLOGY, Price to Book: 7.5, Trailing PE: 24.94, Forward PE: 21.55, Enterprise to Ebitda: 15.53, Enterprise to Revenue: 9.7, Profit Margins: 0.393

The trading volume has changed by -55.90% 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: 1.09
Beta of 1.09 suggests high volatility compared to the market.

Volatility Indicators of GHG Emissions by Industry and GDP



Low GHG impact (0.048) for the Technology 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.

Stock Market Price Credibility Report

Analysis based on current global macroeconomic and geopolitical information.

Market_Price_Credibility_Analysis:

```
{  
  "Final_Score": 0.272,  
  "Price_Volume_Divergence": 0,  
  "Volatility_Dissonance_Index": -0.561,  
  "Deception_Risk": 0.769,  
  "Trumpery_Alert": true,  
  "Summary": "Fiscal policy: now with 30% more denial!"  
}
```

Reasoning:

The rising U.S. debt and deficit levels continue to grow, which is a concern for the long-term sustainability of the U.S. economy. This is not fully reflected in the economic narratives which often focus on short-term growth figures.

Changes in U.S. Treasury bond yields and issuance, along with reports of declining foreign demand for U.S. bonds, suggest a potential shift away from the U.S. as the world's safe haven for investment. This is not fully reflected in the narrative that the U.S. is the world's leading economy.

Central bank interventions, such as rate cuts and quantitative easing, are often seen as necessary tools to stimulate the economy. However, these interventions can also distort market dynamics and create a disconnect between the economic narrative and underlying realities.

The use of tariffs and sanctions as economic tools is a controversial strategy that can have unintended consequences. The narrative often focuses on the short-term benefits of these measures, rather than the potential long-term damage to international relations and global trade.

Inflation vs. official interest rate policy is another area where there can be a disconnect. Low interest rates are often seen as a positive for economic growth, but they can also lead to inflation and asset bubbles.

The influence of the BRICS+ countries and de-dollarization trends are challenging the dominance of the U.S. dollar. This is not fully reflected in the narrative that the U.S. dollar is the world's reserve currency.

Gold volatility and geopolitical hedging are often seen as indicators of uncertainty in the global economy. However, the narrative often downplays these factors, focusing instead on positive growth figures.

Overall, there is a significant disconnect between the economic narratives and the underlying fiscal, monetary, and geopolitical realities. This is reflected in the high NRDl score and the Trumpery Alert. The Satirical Summary encapsulates this disconnect, suggesting that if one believes the economic narratives without question, they might be easily fooled.

Deception Risk:

Between 0 and .2, markets appear fundamentally sound, no price distortion.

Between .2 and .4 there may be some irrationality or manipulation. Caution is advised.

Between .4 and .6 there are signals of disconnect between narratives and reality.

Between .6 and .8 distortions mean possible financial gaslighting.

Between .8 and 1 signals a confidence scam - you are being sold a bridge.

What Price Credibility Sell You a Bridge Index captures:

Price to Volume Divergence PVD.' When price rises while volume drops is suspicious behavior.

A Narrative Reality Dislocation Index NRDIndex is an AI score for disconnect between corporate statements and underlying fundamentals.

A Volatility Persistence Score VPI. When volatility indicators stay low despite geopolitical/economic chaos.

The Macro Score includes Tariff Impact Denial. High tariffs plus high exposure plus rising stock. This may be a trumpery illusion alert.

Treasury Detector TFD Liquidity Masking Metric. Fed/Treasury injections may be affecting retail activity or debt spreads.

The Media Sentiment Mismatch is included. This is where news tone is contrary to actual market data (e.g. bullish despite bond collapse).

Note: Trumpery derives from a French word meaning to deceive, in many dictionaries showy but worthless.

_____ **END OF REPORT** _____