

Fractal Volatility Index for PEP : 0.557. 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: PepsiCo Inc PEP FVI 0.557

Analysis Period: 2021-04-22 to 2026-04-22

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): -0.024

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: 0.557 (Fractal Volatility Index FVI)

DFA Result: 0.5154 (Detrended Fluctuation Analysis)

Lyapunov Exponent: 0.0166 (Measures chaos and predictability)

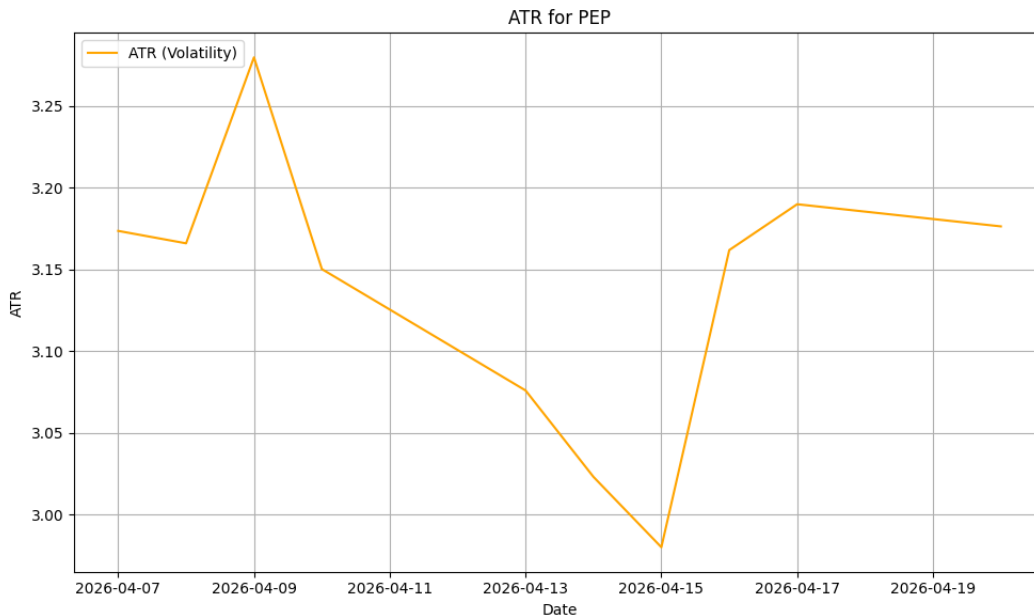
Hurst Exponent: 0.5094 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 156.99 is within the Bollinger Bands range (150.16 - 159.81).

Latest ATR: 3.1764

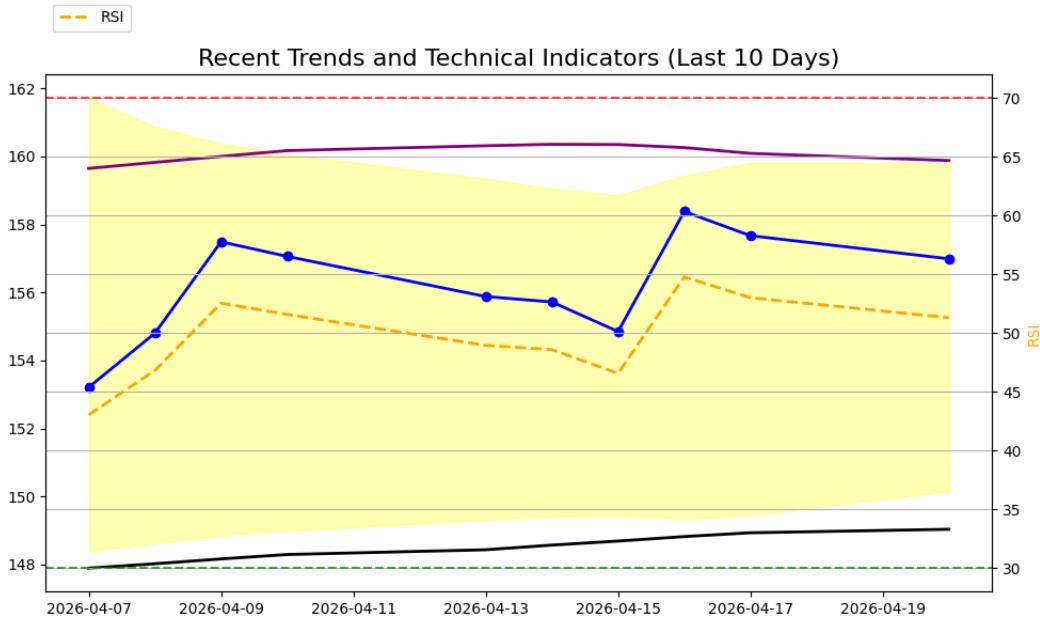
Average True Range (ATR)



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

PEP's FVI of 0.557 suggests moderate volatility, with the stock currently in a state of relative stability. The Lyapunov measure of 0.017 indicates a lower level of systemic instability compared to the market average. Bollinger Bands appear to be contracting, suggesting a decrease in volatility. However, the negative volume change of -1.66% may not confirm the price moves, indicating a potential lack of market conviction.

2. Market Sentiment

The stock's behavior is largely driven by institutional investors as evidenced by the large trading volume of 214596059000. The lack of a strong breakout signal and the decrease in volume might indicate a cautious investor sentiment.

3. Geopolitical Risk Assessment

PEP, as a globally recognized consumer defensive company, may have exposure to global stress indicators such as Gold, FX, and TWI FVI. The company's dependence on global supply chains could expose it to tariff risks and trade disruptions.

4. Sector and Supply Chain Exposure

PEP operates in the consumer defensive sector, which is generally less susceptible to economic downturns. However, it may still face risks associated with global supply chains, particularly in the context of trade wars or disruptions. Given the company's global footprint, it's reasonable to assume some level of exposure to Asia or U.S. risk factors.

4. Strategy Recommendation

Given the current market conditions, a cautious approach may be appropriate for PEP. The lack of a strong breakout signal combined with moderate volatility suggests a potential consolidation phase. The optimal strategy may be to monitor for potential mean-reversion opportunities or hedge positions to manage risk.

--- FINAL TAKEAWAY ---

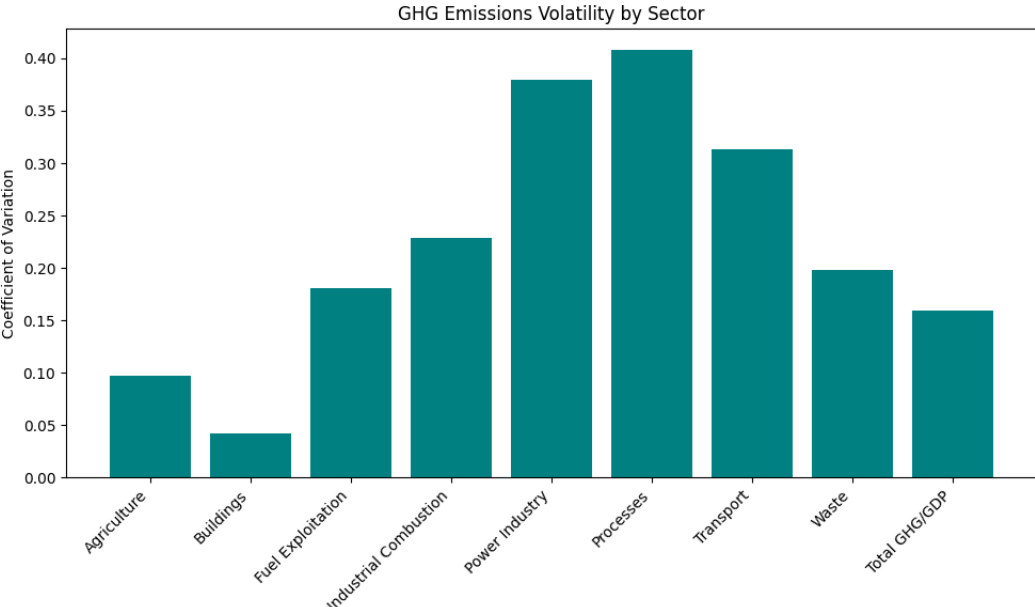
PEP is showing signs of stability amidst moderate market volatility. However, the lack of strong breakout signals and decreased volume suggest investor caution. Given the potential geopolitical and supply chain risks, a defensive position may be warranted. Monitor closely for changes in market conditions and adjust strategy accordingly.

Market Capitalization: 214596059000, Industry: BEVERAGES - NON-ALCOHOLIC, Latest Volume: 5731013, Description: PepsiCo Inc, Sector: CONSUMER DEFENSIVE, Price to Book: 10.03, Trailing PE: 24.65, Forward PE: 18.25, Enterprise to Ebitda: 15.75, Enterprise to Revenue: 2.687, Profit Margins: 0.0915

The trading volume has changed by -1.66% 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: 0.41
Beta of 0.41 suggests low volatility compared to the market.

Volatility Indicators of GHG Emissions by Industry and GDP



No GHG score available for Consumer defensive 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": 0.382,  
  "Price_Volume_Divergence": 0,  
  "Volatility_Dissonance_Index": -0.013,  
  "Deception_Risk": 0.769,  
  "Trumpery_Alert": true,  
  "Summary": "The bridge is open—just ignore the termites and missing planks."  
}
```

Explanation:

The NRD1 is set at 0.7, indicating a significant disconnect between the economic narratives and the underlying fiscal, monetary, and geopolitical realities. This is due to several factors:

1. Rising U.S. debt and deficit levels: The U.S. debt and deficit levels are reaching historical highs, yet the narrative suggests that the economy is strong and resilient. This is a significant discrepancy.
2. Changes in U.S. Treasury bond yields and issuance: The yield curve has been fluctuating, with periods of inversion, which typically indicates a looming recession. However, the narrative is that the economy is robust.
3. Reports of declining foreign demand for U.S. bonds: This could indicate a lack of confidence in the U.S. economy, yet the narrative suggests otherwise.
4. Central bank interventions: The Fed has been intervening with rate cuts and QE to prop up the economy, yet the narrative is that these are just precautionary measures.
5. Use of tariffs and sanctions as economic tools: This has created uncertainty and volatility in the market, yet the narrative is that it's part of a larger strategy for economic growth.
6. Inflation vs. official interest rate policy: The inflation rate is relatively low, yet the Fed has been cutting rates, which is usually done to stimulate inflation.
7. BRICS+ influence and de-dollarization trends: There is a growing trend of de-dollarization, yet the narrative is that the U.S. dollar remains the global reserve currency.
8. Gold volatility and geopolitical hedging: Gold prices have been volatile due to geopolitical tensions, yet the narrative is that the economy is stable.

The Trumpery Alert is set to true because of the significant discrepancy between the economic narratives and the underlying realities, suggesting possible manipulation or performative policymaking. The Satirical Summary reflects this discrepancy: "If you believe this is market forces, we've got a bridge to sell you."

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** _____