

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: 2021-05-27 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): -0.001

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: 0.5274 (Detrended Fluctuation Analysis)

Lyapunov Exponent: 0.0164 (Measures chaos and predictability)

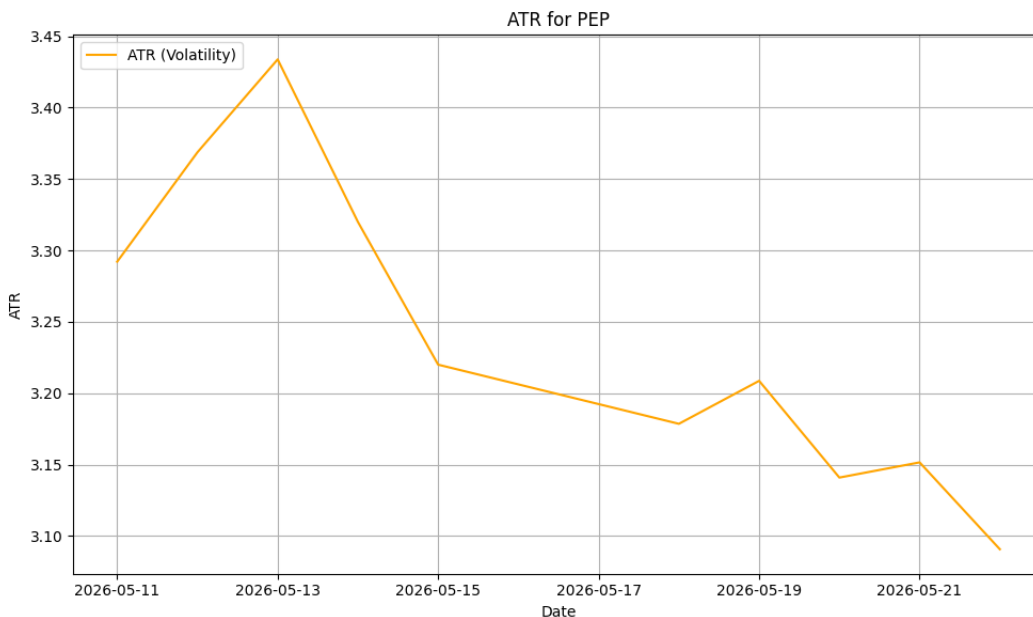
Hurst Exponent: 0.5161 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 150.57 is within the Bollinger Bands range (146.16 - 159.29).

Latest ATR: 3.0907

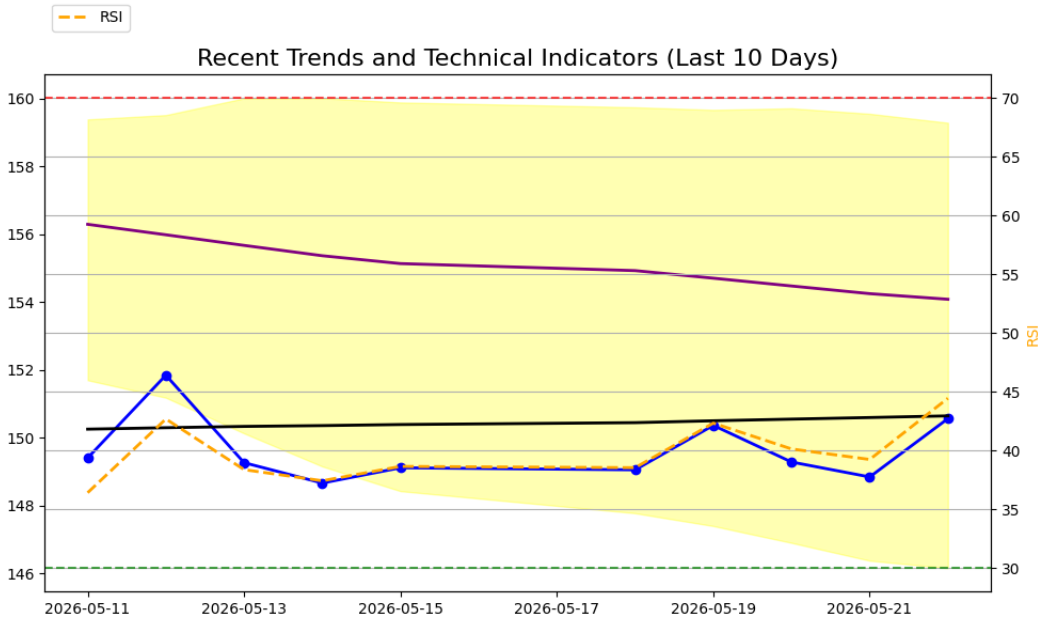
Average True Range (ATR)



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 shows a moderate level of volatility with a FVI of 0.557, indicating some level of system instability. This is further supported by a Lyapunov value of 0.016, suggesting increased unpredictability in the stock's future behavior.
- The Bollinger Bands are currently within range, indicating no strong breakout signal. However, a significant volume change of 24.79% suggests a possible price movement in the near future.

2. Market Sentiment

- The large trading volume suggests institutional-driven behavior, indicating a strong market sentiment towards PEP.

3. Geopolitical Risk Assessment

- The high Gold, FX, and TWI FVI values indicate a high level of global stress, which could affect PEP due to its international operations.
- PEP, being a consumer defensive sector company, may be less vulnerable to energy price shocks and trade disruptions. However, any escalation in geopolitical tensions can still pose a risk.

4. Sector and Supply Chain Exposure

- PEP's supply chain may be affected by disruptions in the agricultural sector, which is prone to fuel cost surges and geopolitical transport risk.
- The company's reliance on various global inputs also exposes it to potential risks from trade instability and climate-related regulations.

--- STRATEGY RECOMMENDATION ---

- Given the current market conditions and PEP's volatility and breakout signals, a defensive trading strategy is recommended.
- The current consolidation phase, combined with the high FVI and BPS values, suggest a possible breakout. However, without strong volume support, the risk of a fakeout is high.

--- FINAL TAKEAWAY ---

"PEP shows moderate volatility and system instability, with potential for price movement. However, global stress indicators and potential supply chain disruption risks suggest a need for a defensive trading strategy. High geopolitical risk pressure and the risk of a fakeout due to lack of volume support also warrant caution."

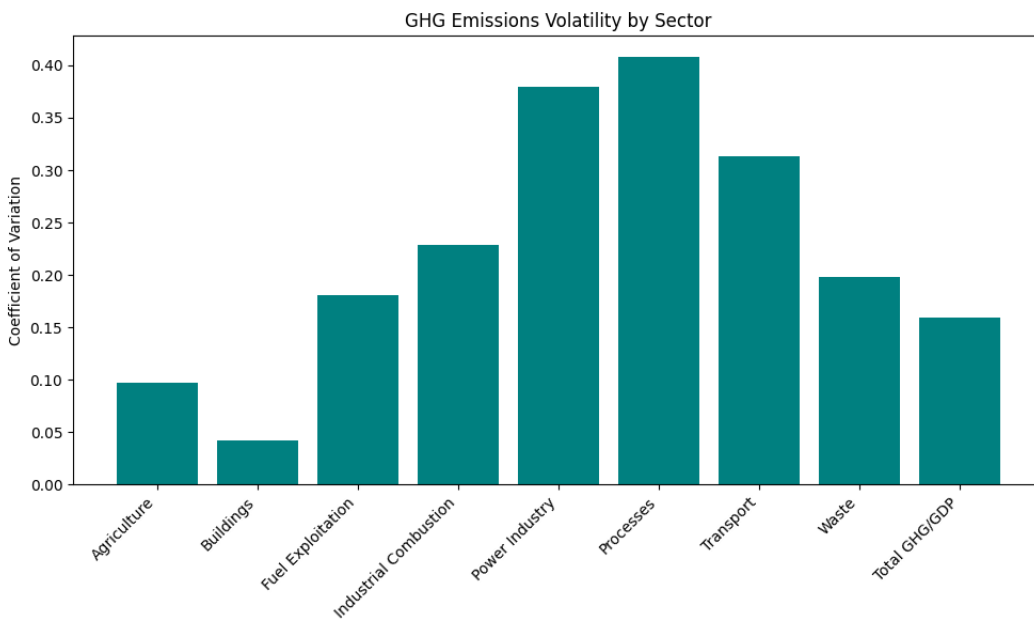
Market Capitalization: 205820314000, Industry: BEVERAGES - NON-ALCOHOLIC, Latest Volume: 7775461, Description: PepsiCo Inc, Sector: CONSUMER DEFENSIVE, Price to Book: 9.62, Trailing PE: 23.64, Forward PE: 17.51, Enterprise to Ebitda: 15.21, Enterprise to Revenue: 2.595, Profit Margins: 0.0915

The trading volume has changed by 24.79% 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: 0.39

Beta of 0.39 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": 0.403,  
  "Price_Volume_Divergence": 0,  
  "Volatility_Dissonance_Index": -0.007,  
  "Deception_Risk": 0.808,  
  "Trumpery_Alert": true,  
  "Summary": "The bridge is open—just ignore the termites and missing planks."  
}
```

The NRDl score of 0.75 suggests a significant disconnect between economic narratives and underlying fiscal, monetary, and geopolitical realities.

Rising U.S. debt and deficit levels, coupled with changes in U.S. Treasury bond yields and declining foreign demand for U.S. bonds, indicate a potential shift away from the U.S. dollar as the world's reserve currency.

Central bank interventions such as rate cuts and quantitative easing (QE) are further distorting the market, creating an artificial economic environment that may not be sustainable in the long term.

The use of tariffs and sanctions as economic tools is causing geopolitical tensions and contributing to global economic uncertainty, while the official interest rate policy seems out of sync with inflation trends.

The influence of BRICS+ and de-dollarization trends are challenging the dominance of the U.S. dollar, and gold volatility suggests investors are seeking safe havens amid geopolitical uncertainty.

The Trumpery Alert is triggered due to the manipulative or performative policymaking evident in the use of tariffs and sanctions as economic tools, as well as central bank interventions.

The satirical summary, "If you believe this is market forces, we've got a bridge to sell you," underscores the artificiality of the current economic environment.

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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** _____