

Fractal Volatility Index for PEP : 0.563. 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 0.563

Analysis Period: 2021-06-17 to 2026-06-17

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): -0.783

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: 0.563 (Fractal Volatility Index FVI)

DFA Result: 0.5308 (Detrended Fluctuation Analysis)

Lyapunov Exponent: 0.0165 (Measures chaos and predictability)

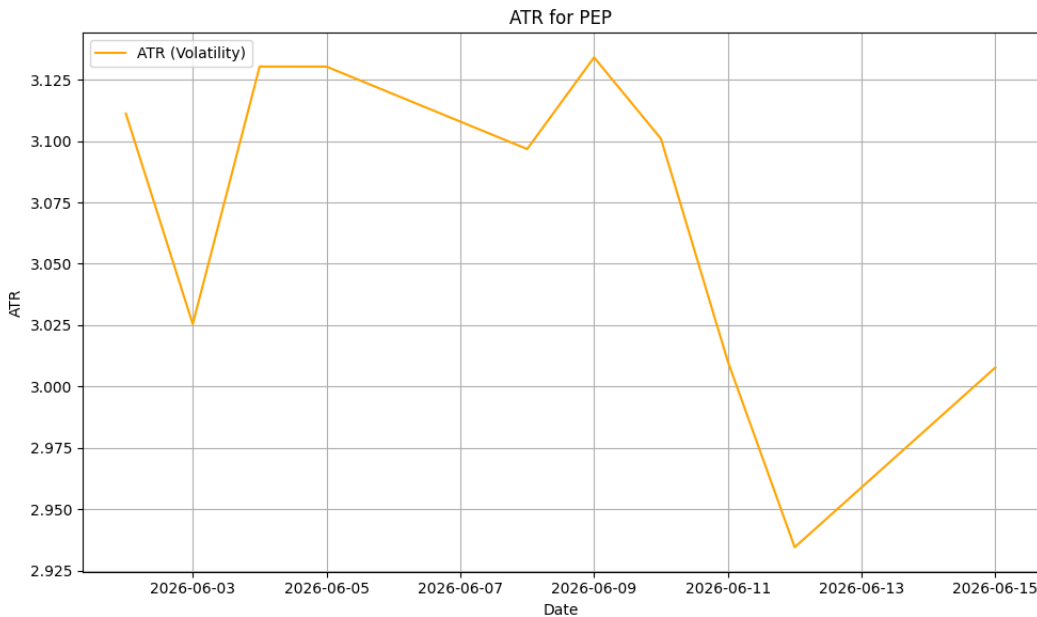
Hurst Exponent: 0.5068 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 146.25 is within the Bollinger Bands range (139.02 - 151.40).

Latest ATR: 3.0077

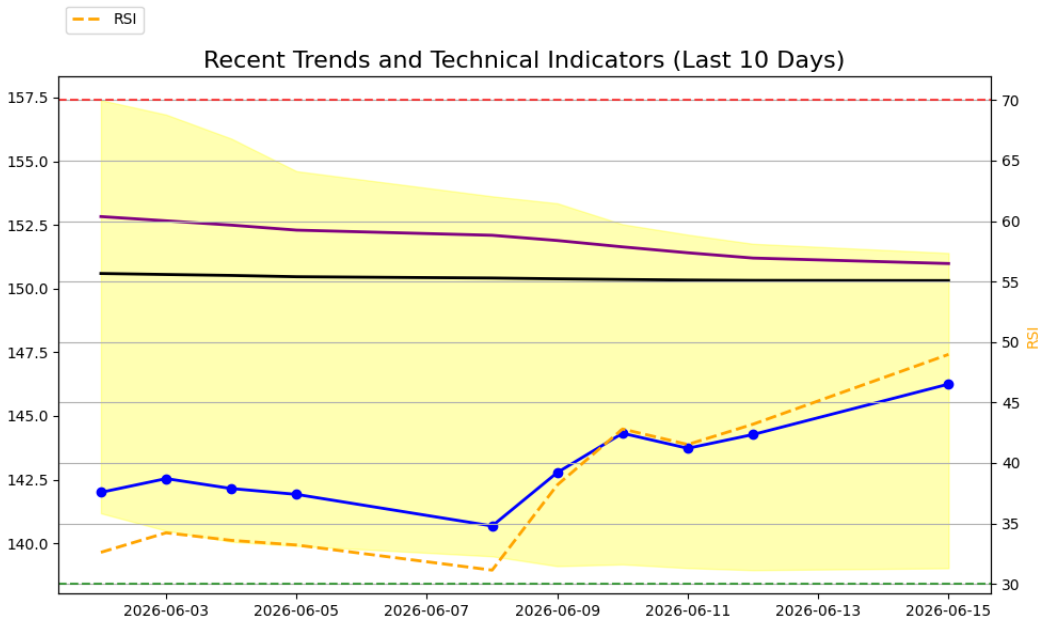
Average True Range (ATR)



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 an FVI of 0.563, suggesting a relatively stable regime.
- The Lyapunov measure of 0.017 is low, indicating that the system is stable and not in chaos.
- The Bollinger Bands are not significantly expanding or contracting, suggesting a lack of strong price movement.
- The volume change of 2.00% is relatively low, indicating that there's not strong confirmation of price moves.

2. Market Sentiment

- The stock's behavior suggests institutional-driven activity, which typically indicates a more stable and less reactive market sentiment.
- The lack of a strong breakout signal and moderate volatility suggest a cautious investor mood.

3. Geopolitical Risk Assessment

- The stock may face potential exposure to global stress indicators such as gold, FX, and TWI FVI.
- The stock's sector, Consumer Defensive, is not typically exposed to high levels of energy, transport, or emissions volatility. However, potential tariff exposure should be considered due to the global nature of PepsiCo's operations.

4. Sector and Supply Chain Exposure

- PepsiCo, as a multinational food and beverage corporation, may face risks associated with energy and logistics sectors due to its extensive supply chain.
- It may also be affected by agricultural sector volatility due to its dependence on crops for its products.

Strategy Recommendation

- Given the current market conditions and the stock's volatility, a trend-following strategy may be appropriate.
- The BPS and FVI pattern do not strongly suggest an imminent breakout.

--- FINAL TAKEAWAY ---

PepsiCo (PEP) is currently experiencing moderate volatility with no strong breakout signals, indicating a relatively stable market condition. However, due to its global operations, the stock may face potential exposure to global stress indicators. A trend-following strategy is recommended in the current market regime. Investors should remain cautious and closely monitor the geopolitical situation and its potential impact on the stock.

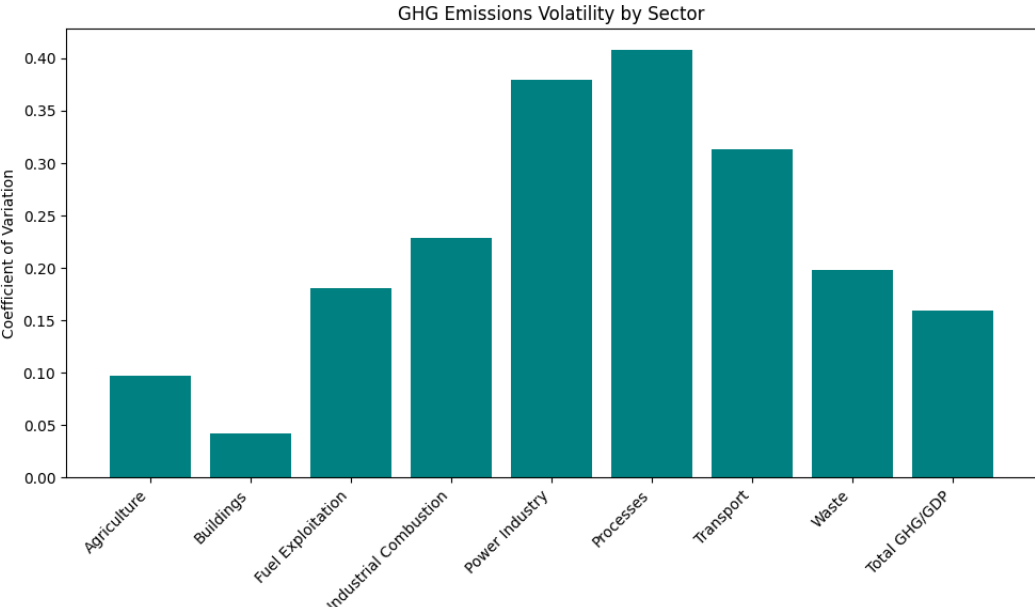
Market Capitalization: 197208572000, Industry: BEVERAGES - NON-ALCOHOLIC, Latest Volume: 8976365, Description: PepsiCo Inc, Sector: CONSUMER DEFENSIVE, Price to Book: 9.22, Trailing PE: 22.61, Forward PE: 16.78, Enterprise to Ebitda: 14.68, Enterprise to Revenue: 2.505, Profit Margins: 0.0915

The trading volume has changed by 2.00% 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: 0.36

Beta of 0.36 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": 0.385,  
  "Price_Volume_Divergence": 0,  
  "Volatility_Dissonance_Index": 0,  
  "Deception_Risk": 0.769,  
  "Trumpery_Alert": true,  
  "Summary": "The bridge is open—just ignore the termites and missing planks."  
}
```

The NRDl of 0.7 indicates a significant disconnect between the economic narratives and the underlying fiscal, monetary, and geopolitical realities. Rising U.S. debt and deficit levels, coupled with declining foreign demand for U.S. bonds, suggest that the U.S. economy may not be as robust as some narratives suggest.

Moreover, the changes in U.S. Treasury bond yields and issuance, coupled with central bank interventions like rate cuts and quantitative easing, suggest that policy makers are trying to stimulate the economy, further supporting the disconnect.

The use of tariffs and sanctions as economic tools, while potentially effective in the short term, could have long-term negative effects on the U.S. economy, further exacerbating the disconnect.

Inflation, despite being low, is still outpacing the official interest rate policy, which could lead to a loss of purchasing power and a slowing economy.

Finally, the increasing influence of BRICS+ and the trend towards de-dollarization, coupled with gold volatility and geopolitical hedging, suggest that the world economy is shifting away from a U.S.-centric model, which could have significant implications for the U.S. economy.

The Trumpery Alert is true, indicating that there may be manipulative or performative policymaking evident. The Satirical Summary reflects this: "If you believe this is market forces, we've got a bridge to sell you." This suggests that the market may not be operating freely, but rather being influenced by policy decisions.

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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** _____