

Fractal Volatility Index for PEP : 0.562. 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: PepsiCo Inc PEP FVI 0.562

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): -0.998

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: 0.562 (Fractal Volatility Index FVI)

DFA Result: 0.5223 (Detrended Fluctuation Analysis)

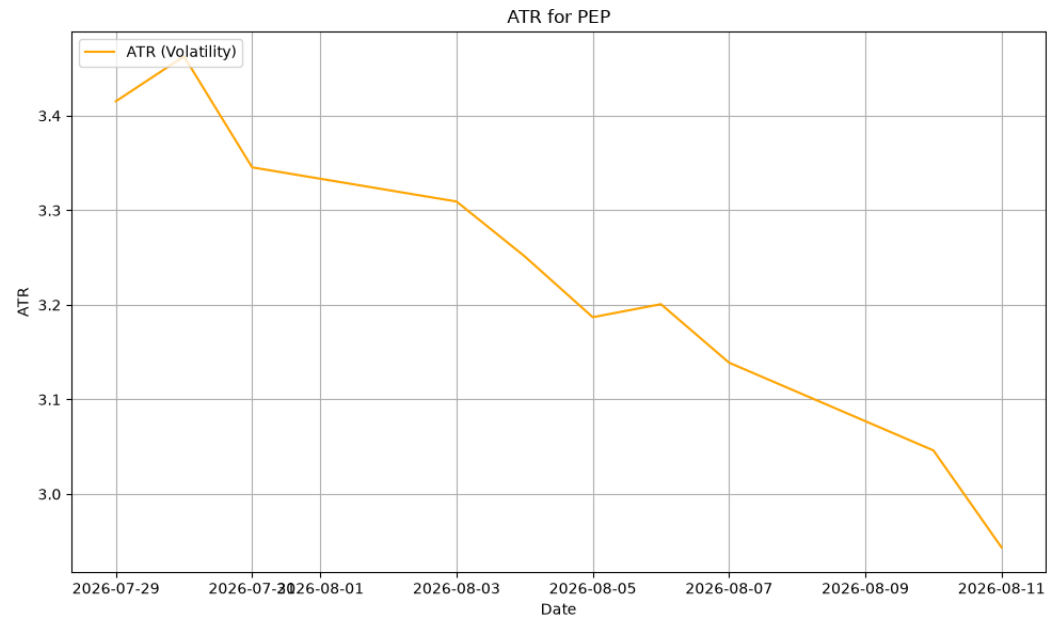
Lyapunov Exponent: 0.0165 (Measures chaos and predictability)

Hurst Exponent: 0.5132 (Indicates trending or mean-reverting behavior)

Breakout & Recent Price Change Analysis

Breakout Statement: No strong breakout signal detected: The latest closing price of 138.41 is within the Bollinger Bands range (133.65 - 143.02).
Latest ATR: 2.9436

Average True Range (ATR)



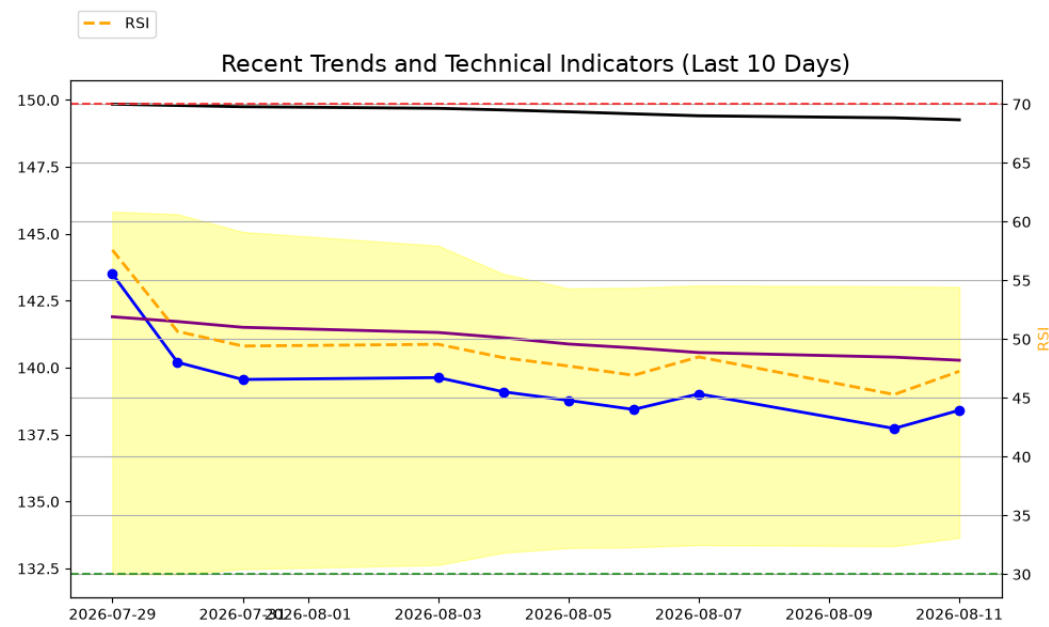
The ATR measures the recent price volatility of a stock, calculating the average range between its high and low prices over a given period (usually 14 days). A higher ATR indicates greater market volatility, and a lower ATR indicates less volatility.

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

PEP's Fractal Volatility Index (FVI) of 0.562 suggests relative stability compared to the market-wide FVI indicators. The Lyapunov score of 0.017 further indicates less systemic chaos and instability. However, a Hurst score of 0.513 suggests a slight trend-following behavior. The stock's volume has decreased by 31.69%, which may not confirm any price moves. The Bollinger Bands indicate no strong breakout signal, suggesting a potential consolidation phase.

2. Market Sentiment

A large trading volume of 189068067000 suggests institutional-driven behavior. The absence of a strong breakout signal and decreased volume may indicate cautious investor sentiment, possibly due to macroeconomic uncertainties.

3. Geopolitical Risk Assessment

The market-wide Gold FVI of 0.594 suggests increased hedge demand due to geopolitical tensions. The FX FVI of 0.434 and TWI FVI of 0.469 indicate currency volatility and potential global trade disruptions. PEP, as a global brand, may be exposed to these risks. However, the absence of a GHG score for the Consumer defensive sector limits the ability to assess sectoral emissions risk exposure.

4. Sector and Supply Chain Exposure

PEP operates in the Consumer defensive sector and is likely to have a global supply chain. While specific supply chain data is not available, the company may face potential risks from increased fuel costs, trade disruptions, and climate-related regulations. These risks could impact the cost and availability of inputs and disrupt distribution networks.

--- STRATEGY RECOMMENDATION ---

Given the current market-wide volatility regime, a cautious approach may be advisable for PEP. The stock appears to be in a consolidation phase, with no strong breakout signal. The optimal strategy may be to monitor for any significant changes in the stock's volatility and breakout potential, as well as any shifts in geopolitical risks that could impact the company's operations.

--- FINAL TAKEAWAY ---

"PEP shows relative stability amidst market-wide volatility with potential risks from global trade disruptions and macroeconomic uncertainties. With no strong breakout signal and decreased volume, caution is advised. Monitor closely for shifts in market and geopolitical conditions."

Stock Information

Market Capitalization: 189068067000, Industry: BEVERAGES - NON-ALCOHOLIC, Latest Volume: 5823880, Description: PepsiCo Inc, Sector: CONSUMER DEFENSIVE, Price to Book: 8.51, Trailing PE: 18.05, Forward PE: 16.1, Enterprise to Ebitda: 12.37, Enterprise to Revenue: 2.378, Profit Margins: 0.108

The trading volume has changed by -31.69% 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.

Stock Investment Character Report

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

Investment Character: Steady Operator

Resilience: 72%

Momentum: 15%

Structural Stress: 18%

Narrative Dependence: 20%

Confidence: 61%

Calculated Metrics:

- Price-Volume Divergence: 0.000

- Volatility Dissonance Index: 0.004

Evidence:

- Sector/Industry: Consumer Defensive, Beverages - Non-Alcoholic
- Beta: 0.361 (low market sensitivity)
- Profit margin: 0.108 (positive ongoing profitability)
- P/E: 18.05 trailing, 16.1 forward; EV/EBITDA: 12.37; EV/Revenue: 2.378 (established, not extreme)
- Breakout Probability Score: -0.997553727918602 (very low breakout likelihood)
- Breakout statement: Latest close 138.41 within Bollinger Bands 133.65 - 143.02 (no strong breakout signal)
- Fractal Volatility Index: 0.562 vs market-wide 0.478 (moderate, slightly above market); ATR: 2.9436
- Hurst Exponent: 0.5132 and DFA: 0.5223 (mild persistence/steadiness signals)
- Recent volume change: -31.69% (lower activity consistent with consolidation)
- Reported trailing and forward EPS fields are 0 (key earnings detail unavailable, reduces evidence depth)

Assessment:

PepsiCo exhibits characteristics of a steady, defensive operator: low beta, ongoing profitability, and valuation multiples consistent with mature cash-generative businesses. Technical signals show consolidation rather than

breakout, with subdued momentum and moderate volatility slightly above the market. There is little evidence of structural stress, and price behavior appears grounded in operating metrics rather than narrative.

Medium-Term Fit:

May suit an independent thesis seeking defensive consumer staples exposure with stable cash-flow characteristics and low market sensitivity, prioritizing consolidation and earnings persistence over breakout-driven returns in a mixed macro backdrop..

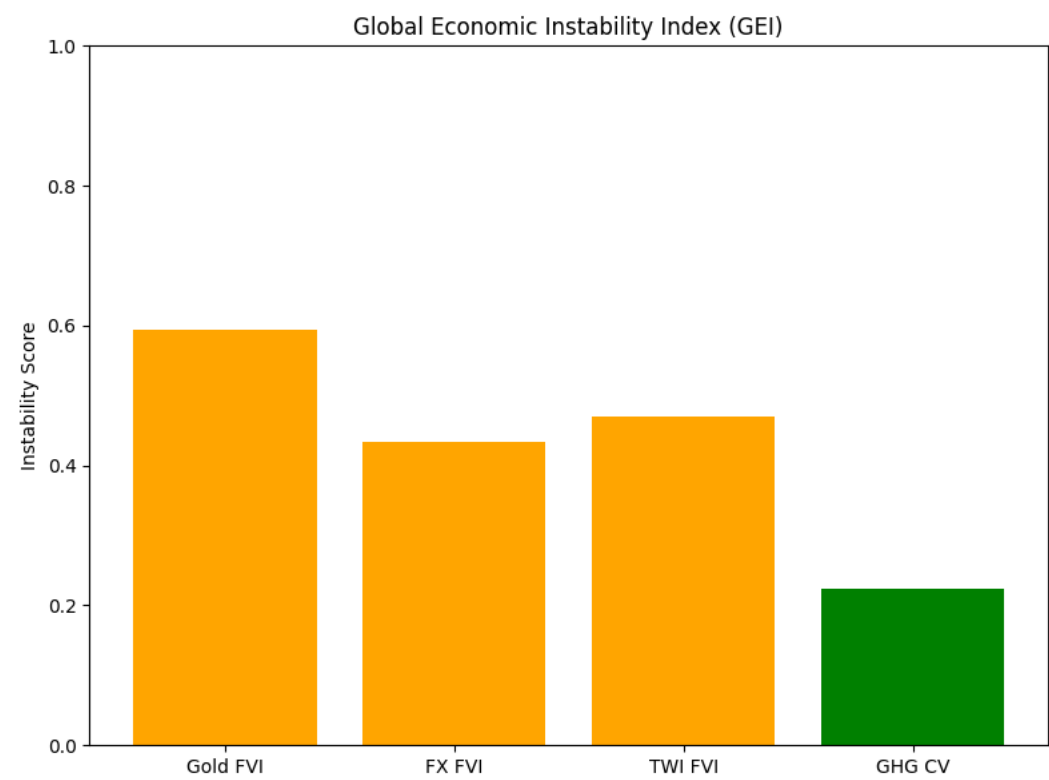
Fractal Volatility Indices

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

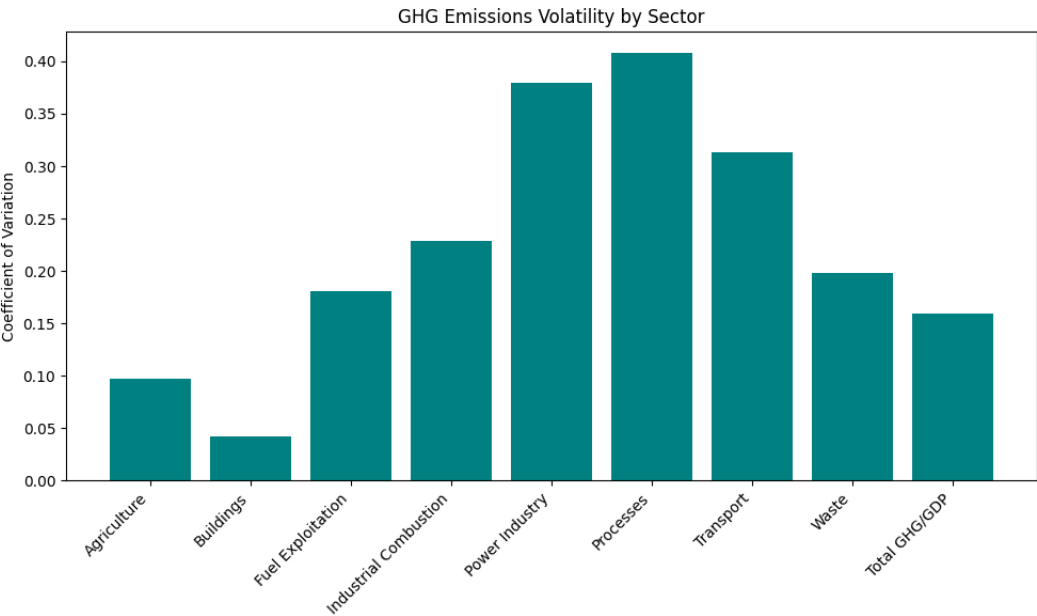
FVI_GOLD: 0.593608 => Moderate gold volatility indicates increased investor caution
FVI_FX: 0.434301 => Low FX volatility indicates relatively stable currency markets
FVI_TWI: 0.469352 => Moderate trade-weighted volatility indicates some external-sector adjustment
GHG_CV: 0.223036 => Moderate GHG sector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



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.

_____END OF REPORT_____