

PepsiCo, Inc. (PEP) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$137.38 **-\$0.48 (-0.35%)** AS OF 2026-07-10

Strategy: Conservative Stop Loss (Fixed ATR-based)

■ QUICK DECISION

Action: HOLD | Confidence: LOW | Signal Strength: 0/7

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	\$137.38	Market Cap	\$187.7B
Past Win Rate (Backtest)	60.0%	Forward P/E	15.3x
Past Total Return	+11.2%	Analyst Target	\$162.82
RSI / Trend Strength	41 / 19	Upside to Target	+18.5%
MACD Signal	Bearish	Revenue Growth	+8.5%
Profit Factor	1.39	Institutional Own.	81.0%
Position Entry	2025-07-16 @ \$130.20	Analyst Ratings	8 Buy / 14 Hold / 1 Sell
Open Position Past P&L	+5.5%		

■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$141.61	Bearish
EMA 50	\$144.61	Bearish
RSI (14)	40.8	Neutral range
Trend Strength (ADX)	19.2	Weak/No trend (<20)

■ CONSENSUS & INVESTMENT RATIONALE

RATING	BUY
Target Price	\$162.82
Upside/Downside	+18.5%
Risk/Reward	3.38:1
Time Horizon	6-12 months

Investment Rationale: Our BUY rating is based on: (1) Technical backtest showing 60.0% win rate with +11.2% total return over backtest period, (2) +18.5% upside to analyst consensus target of \$162.82, (3) Moderate fundamental growth profile with +8.5% revenue growth, and (4) 81.0% institutional ownership indicating high conviction from professional investors.

Action: Maintain position with +5.5% unrealized gain. Watch for confluence signal to add.

Technical Signal: Confluence 0/7 (threshold: 5) | **Risk/Reward:** Neutral

■ KEY INSIGHT

The fixed stop strategy has proven effective (Win Rate: 60.0%, Avg Return: +1.5%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 0 does not meet entry threshold of 5 - remain on sidelines. Fundamental backdrop shows 28% earnings growth with 81% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	\$137.38	Latest market price
Buy Stop Loss	\$129.86	Conservative 2.0x ATR (5.5% distance)
Position Stop Loss	\$130.80	Adaptive 1.75x ATR (4.8% distance)
ATR (14-day)	\$3.76	Volatility: 2.7% of price
ADX Strength	19.2	Weak/No Trend

Status: Position up +6% - Adaptive strategy adjusts for momentum

ADX: 20-25 = Emerging trend | 25-50 = Strong trend | 50+ = Very strong

■ Strategy Comparison: Conservative vs Adaptive

METRIC	CONSERVATIVE (2.0x ATR)	ADAPTIVE (Dynamic)
Past Win Rate	60%	63%
Past Total Return	+11.2%	+18.8%
Max Drawdown	-12.7%	-10.7%
Total Trades	15	19
Position	OPEN	NONE

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Adaptive adjusts stops based on position profit.

For the latest stock analysis, support, resistance and interactive charts, visit [Ultra Stock Analysis Pro](#)

■ ANALYST RATING CHANGES - COMPLETE HISTORY

All recent upgrades, downgrades, and price target changes (last 90 days)

Firm	Action	From → To	Date
Citigroup	DOWNGRADE	Buy → Neutral	Jul 10, 2026
Bernstein	INITIATED	Market Perform	Jun 12, 2026
Bernstein	INITIATED	Market Perform	Jun 11, 2026

Analyst Price Targets

Average Target: \$162.82 (+18.5% from current)

High Target: \$183.00 (+33.2%)

Low Target: \$132.00 (-3.9%)

Current Price: \$137.38

DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

Expected Returns & Position Sizing

Based on backtest performance (Win Rate: 60.0%, Avg Return: +1.5%) and analyst consensus (Target: \$162.82, +18.5% upside), an **OVERWEIGHT** exposure may be considered. Risk/Reward ratio of 3.38:1 suggests favorable risk-adjusted returns. Current open position shows +5.5% unrealized gain, supporting hold decision.

Catalyst Calendar & Timing

Next Major Catalyst: Oct 08, 2026 earnings report

Seasonality: Historical analysis shows positive momentum in backtest period

Technical Setup: Neutral - waiting for confluence signal

Institutional Activity: 81.0% institutional ownership (Largest: Blackrock Inc.)

Short Interest: 2.6% of float - Moderate short interest

Liquidity Profile

Average Volume: 8.2M shares/day - Lower liquidity

Market Cap: \$187.7B - Mid cap

Beta: 0.37 - Lower than market volatility

Execution Risk: Moderate for institutional-sized positions

SELL-SIDE PERSPECTIVE - Investment Research Analysis

Investment Thesis

PepsiCo, Inc. operates in the Consumer Defensive sector (Beverages - Non-Alcoholic). Current valuation of 15.3x forward P/E reflects reasonable multiples relative to growth prospects. Operating margin of 17.0% shows strong profitability. **Fundamental Outlook:** Moderate Growth - Monitoring profitability amid revenue expansion

Valuation Analysis

Forward P/E: 15.3x

Trailing P/E: 18.0x

Price/Sales: 1.97x - Market multiple

Price/Book: 8.79x

Enterprise Value: \$230.5B

EV/Revenue: 2.41x (vs industry avg)

Competitive Positioning & Market Share

Key Competitors: Various industry players

U.S. Market Share: 0% - Competitive player

Global Market Share: 0%

Competitive Advantages: Market position, Technology, Brand

Key Products: Core products and services

Institutional Sentiment & Ownership

Institutional Ownership: 81.0% - Very high institutional confidence

Largest Holder: Blackrock Inc. (115.8M shares)

Analyst Coverage: 23 analysts

Consensus: 8 Buy, 14 Hold, 1 Sell - Bullish sentiment

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	+4.2 / 10	Bullish
Articles Analyzed	5	Last 7 days (top 5 shown per category)
Bullish Articles	3 (60%)	Positive sentiment
Bearish Articles	0 (0%)	Negative sentiment
Neutral Articles	2 (40%)	Mixed/Neutral tone

■ TOP BULLISH HEADLINES

1. PepsiCo CFO says tariff refund will help offset inflation (CFO Dive, Jul 10)

"We do expect some more pressure on the business from a commodity standpoint," CFO Steve Schmitt said on an earnings call....

Source: <https://www.cfodive.com/news/pepsico-cfo-says-tariff-refunds-will-help-offset-in>

2. PepsiCo (PEP) Stock Fair Value Edges Lower As Analysts Split On North America Execution (Simply Wall St., Jul 10)

PepsiCo's fair value estimate has been trimmed from US\$168.27 to US\$164.86, a reduction of about 2.0% that reflects more cautious assumptions in the l...

Source: <https://finance.yahoo.com/markets/stocks/articles/pepsico-pep-stock-fair-value-2>

3. PepsiCo's \$200 Billion Stability Play Is Attracting Dividend Investors (24/7 Wall St., Jul 10)

PepsiCo has now raised its dividend for more consecutive years than most investors have been alive, and the streak is drawing serious attention from i...

Source: <https://247wallst.com/investing/2026/07/10/pepsicos-200-billion-stability-play-i>

■ SENTIMENT INTERPRETATION

The news sentiment is **strongly bullish**, indicating positive market perception and favorable coverage. This suggests growing investor confidence and potential upward momentum. Consider this as a supporting factor for bullish positions, but verify with technical and fundamental analysis.

DEEP DIVE: COMPREHENSIVE RISK ASSESSMENT

Detailed Risk Factors and Mitigation Strategies

Key Risks & Mitigants

Company-Specific Risks:

- Competition
- Market conditions
- Regulatory changes

Technical Risk Factors:

- Win Rate: 60.0% (9 wins, 6 losses)
- Profit Factor: 1.39x (Avg Win 4.9% vs Avg Loss -3.6%)
- Current Confluence: 0 (Last: 3 on Jun 30) - No setup - awaiting signal
- Volatility (ATR 14): \$3.76 (2.7% of price) - Stop loss typically 2-3x ATR

Market Risk:

- Beta: 0.37 - Below-average market sensitivity
- Short Interest: 2.6% - Normal short activity

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

Indicator	Value	Interpretation
EMA 20	\$141.61	Short-term trend
EMA 50	\$144.61	Medium-term trend
EMA 200	\$146.74	Long-term trend
Relative Strength	40.8	Neutral range
MACD	-1.34	Bearish
MACD Signal	-1.32	Signal line
MACD Histogram	-0.01	Bearish
Volatility (ATR 14)	\$3.76	2.7% of price
Trend Strength (ADX)	19.2	Weak/No trend (<20)
+DI	20.2	Positive directional movement
-DI	34.0	Negative directional movement
Stochastic %K	31.5	Neutral
Stochastic %D	48.0	Neutral
Bollinger Upper	\$147.57	Resistance zone
Bollinger Middle	\$141.77	Moving average
Bollinger Lower	\$135.97	Support zone
VWAP	\$136.88	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$187.7B	Total market value
Valuation	Enterprise Value	\$230.5B	Total company value
Valuation	Forward P/E	15.3x	Price to forward earnings
Valuation	Trailing P/E	18.0x	Price to trailing earnings
Valuation	PEG Ratio	1.53	P/E relative to growth
Valuation	Price/Sales	1.97x	Market cap to revenue
Valuation	Price/Book	8.79x	Price to book value
Valuation	EV/Revenue	2.41x	Enterprise value to revenue
Valuation	EV/EBITDA	12.3x	Enterprise value to EBITDA
Performance	Revenue (TTM)	\$95.4B	Trailing 12-month revenue
Performance	Revenue Growth	+8.5%	Year-over-year growth
Performance	Earnings Growth	+27.8%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+18.0%	Forward EPS growth estimate
Performance	Gross Profit	\$51.9B	Revenue minus COGS
Performance	Operating Income	\$13.1B	EBIT
Performance	Net Income	\$8.7B	Bottom line profit
Performance	Free Cash Flow	\$8.7B	Cash after capex
Performance	Operating Cash Flow	\$13.1B	Cash from operations
Profitability	Gross Margin	54.4%	Gross profit margin
Profitability	Operating Margin	17.0%	Operating efficiency
Profitability	Profit Margin	9.1%	Net margin
Profitability	ROE	43.9%	Return on equity
Profitability	ROA	9.1%	Return on assets
Profitability	ROIC	N/A	Return on invested capital
Balance Sheet	Total Assets	\$0.0B	Total assets
Balance Sheet	Total Liabilities	\$0.0B	Total liabilities
Balance Sheet	Total Debt	\$52.7B	Total debt outstanding
Balance Sheet	Cash & Equivalents	\$10.8B	Liquid assets
Balance Sheet	Book Value/Share	\$15.63	Net worth per share
Balance Sheet	Current Ratio	0.90	Current assets/liabilities
Balance Sheet	Quick Ratio	0.67	Liquid assets/liabilities
Balance Sheet	Debt/Equity	2.45	Leverage ratio
Market	Beta	0.37	Market correlation
Market	52-Week High	\$171.48	Annual high
Market	52-Week Low	\$133.75	Annual low

Market	Avg Volume	8.2M	Average daily volume
Market	Shares Outstanding	1.4B	Total shares
Market	Float	1.4B	Tradeable shares
Market	Short Interest	2.6%	Shares sold short
Market	Institutional Own.	81.0%	Institution held
Analysts	Coverage Count	22	Number of analysts
Analysts	Average Rating	2.6	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	8/14/1	Rating distribution
Analysts	Target Price	\$162.82	Average price target
Analysts	Target High	\$183.00	Highest target
Analysts	Target Low	\$132.00	Lowest target
Other	Next Earnings	Oct 08, 2026	Earnings report date
Other	Dividend Yield	4.15%	Annual dividend rate
Other	Ex-Dividend Date	1780617600	Next ex-div date

REFERENCE: APPENDIX C - Complete Trade History

Detailed Backtesting Results and Trade Log

Entry	Exit	Type	Entry \$	Exit \$	Past P&L %	Past P&L \$
2020-02-28	2020-03-09	CONFLUENCE	\$107.85	\$107.04	-0.8%	\$-35
2020-06-15	2020-09-23	CONFLUENCE	\$108.14	\$109.35	+1.1%	\$+45
2020-09-30	2020-12-29	GOLDEN_CROSS	\$115.69	\$123.93	+7.1%	\$+346
2021-03-29	2021-04-21	GOLDEN_CROSS	\$122.71	\$124.55	+1.5%	\$+92
2021-07-13	2021-10-04	CONFLUENCE	\$130.56	\$129.08	-1.1%	\$-102
2021-10-07	2022-02-23	GOLDEN_CROSS	\$134.40	\$144.22	+7.3%	\$+491
2022-04-05	2022-04-28	GOLDEN_CROSS	\$147.62	\$154.59	+4.7%	\$+502
2022-10-21	2023-05-15	GOLDEN_CROSS	\$152.79	\$173.75	+13.7%	\$+692
2023-05-30	2023-06-13	CONFLUENCE	\$162.43	\$163.50	+0.7%	\$+60
2023-06-16	2023-08-15	CONFLUENCE	\$167.55	\$163.33	-2.5%	\$-237
2024-03-21	2024-06-11	GOLDEN_CROSS	\$158.80	\$153.20	-3.5%	\$-291
2024-07-11	2024-10-03	CONFLUENCE	\$152.16	\$157.60	+3.6%	\$+245
2024-10-14	2024-10-31	GOLDEN_CROSS	\$164.68	\$155.31	-5.7%	\$-450
2025-01-10	2025-03-19	CONFLUENCE	\$134.53	\$140.92	+4.8%	\$+269
2025-04-09	2025-04-29	CONFLUENCE	\$138.53	\$127.79	-7.8%	\$-301
2025-07-16	OPEN	GOLDEN_CROSS	\$130.20	OPEN	+5.5%	\$+374

IMPORTANT DISCLAIMER

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Next Earnings: Oct 08, 2026

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