Applied Materials, Inc. (AMAT) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

$507.18 **-$27.36 (-5.12%)** AS OF 2026-08-14

Strategy: Conservative Stop Loss (Fixed ATR-based)

QUICK DECISION

Action: HOLD | **Confidence:** LOW | **Signal Strength:** 3/7 (last fired 2026-07-29, 16d ago)

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	$507.18	Market Cap	$402.7B
Past Win Rate (Backtest)	45.0%	Forward P/E	28.0x
Past Total Return	+70.9%	Analyst Target	$633.34
RSI / Trend Strength	45 / 11	Upside to Target	+24.9%
MACD Signal	Bearish	Revenue Growth	+24.8%
Profit Factor	3.66	Institutional Own.	86.6%
Position Entry	2026-02-13 @ $354.03	Analyst Ratings	32 Buy / 8 Hold / 0 Sell
Open Position Past P&L	+43.3%		

TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	$532.02	Bearish
EMA 50	$528.67	Bearish
RSI (14)	44.9	Neutral range
Trend Strength (ADX)	10.9	Weak/No trend (<20)

CONSENSUS HUD

TRIM POSITION +24.9% to $633.34 on a 1.77:1 reward-to-risk, 6-12 month horizon

SIGNAL STRENGTH	WIN RATE	STREET	UPSIDE	RISK / REWARD
3/7	45%	32/40	+24.9%	1.77:1
fired 16d ago	20 backtested trades	analysts rate buy	to analyst target	vs. 2x ATR stop

Technical Confluence	3/7 (fired 16d ago)	**Backtest**	45.0% win rate, +70.9% total return
Analyst Consensus	32 buy / 8 hold / 0 sell	**Target Price**	$633.34 (+24.9%)
Market Volatility	Beta 1.62	**Valuation**	28.0x forward P/E
Revenue Growth	+24.8%	**Institutional Own.**	86.6%
Position	Already open — +43.3%	**News Sentiment**	Slightly Bullish (+3.3/10)

Action Plan: Lock in gains after +43.3% run. Reduce exposure near resistance. Trail stop on remainder.

■ *KEY INSIGHT*

The fixed stop strategy has proven effective (Win Rate: 45.0%, Avg Return: +9.1%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 3 does not meet entry threshold of 5 - remain on sidelines. Fundamental backdrop shows 43% earnings growth with 87% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	**$507.18**	Latest market price
Buy Stop Loss	**$435.74**	Conservative 2.0x ATR (14.1% distance)
Position Stop Loss	**$471.46**	Adaptive 1.00x ATR (7.0% distance)
ATR (14-day)	$35.72	Volatility: 7.0% of price
ADX Strength	10.9	Weak/No Trend

Status: Position up +43% - 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	45%	46%
Past Total Return	+70.9%	+77.5%
Max Drawdown	-13.9%	-15.5%
Total Trades	20	24
Position	OPEN	NONE

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

■ ANALYST RATING CHANGES - COMPLETE HISTORY

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

Firm	Action	From → To	Date
TD Cowen	REITERATED	Buy → Buy	Aug 14, 2026
B. Riley Securities	REITERATED	Buy → Buy	Aug 14, 2026
Needham	REITERATED	Buy → Buy	Aug 14, 2026
Cantor Fitzgerald	REITERATED	Overweight → Overweight	May 28, 2026
Morgan Stanley	DOWNGRADE	Overweight → Equal-Weight	May 18, 2026

Analyst Price Targets

Average Target: $633.34 (+24.9% from current)
High Target: $900.00 (+77.5%)
Low Target: $358.00 (-29.4%)
Current Price: $507.18

RISK HUD - Deep Dive Assessment

Five risk axes scored LOW / MODERATE / HIGH, then the mitigation that follows from them.

ELEVATED RISK driven by market beta, volatility

MARKET	VOLATILITY	VALUATION	EVENT	TECHNICAL
HIGH	**HIGH**	**MODERATE**	**LOW**	**LOW**
beta 1.62	ATR 7.0% of price	fwd P/E 28.0x	earnings in 90d	RSI 45

Mitigation - Stop	2-3x ATR = $71.44 - $107.16 below entry (14.1% at 2x)	**Mitigation - Sizing**	half-size or less while two axes read HIGH
52-Week Range	$154.47 - $739.67, now $507.18	**Next Earnings**	Nov 12, 2026 (90d away)
Short Interest	1.8% of float - normal short activity	**Sector Exposure**	Technology - cycle and regulatory risk specific to the group
Backtest Edge	45.0% win rate (9W / 11L), 3.66x profit factor	**Win vs. Loss Size**	avg win 30.4% vs. avg loss -8.3%
Current Setup	3/7 (fired 16d ago) - moderate	**Company-Specific**	Competition, Market conditions, Regulatory changes

BUY-SIDE HUD - Portfolio Management

How much to own, what the historical edge is, and whether the position can be traded at size.

OVERWEIGHT +24.9% to the $633.34 analyst target against a 14.1% stop - moderate risk-adjusted return

UPSIDE	RISK / REWARD	WIN RATE	PROFIT FACTOR	POSITION
+24.9%	**1.77:1**	**45%**	**3.66x**	**+43.3%**
to analyst target	vs. 2x ATR stop	20 backtested trades	avg trade +9.1%	open position

Signal Strength	**3/7 (fired 16d ago) - moderate setup**	**RSI / ADX**	**45 / 10.9 - weak/no trend (<20)**
Stop Zone (2-3x ATR)	$71.44 - $107.16 below entry	**Next Catalyst**	Nov 12, 2026 earnings
Avg Volume	**9.6M/day - lower liquidity**	**Execution Risk**	**Moderate at institutional size**
Market Cap	$402.7B - large cap	**Beta**	**1.62 - above-market volatility**
Institutional Own.	**86.6% - largest: Blackrock Inc.**	**Short Interest**	1.8% of float - moderate

SELL-SIDE HUD - Investment Research

Applied Materials, Inc. - Technology / Semiconductor Equipment & Materials. What the business is worth and where the Street stands.

STRONG GROWTH positive operating leverage - revenue and earnings both accelerating

FORWARD P/E	PEG	REVENUE GROWTH	EPS GROWTH	OPERATING MARGIN
28.0x	**1.18**	**+25%**	**+56%**	**34%**
premium multiple	growth-adjusted P/E	year over year	next fiscal year	profitability

Analyst Consensus	**Strong Buy - 32B / 8H / 0S across 40 analysts**	**Target Range**	**$358.00 - $900.00, avg $633.34 (+24.9%)**
Trailing P/E	**43.7x**	**Price / Sales**	**13.06x - premium**
Price / Book	**15.71x**	**Enterprise Value**	$400.0B (12.97x revenue)
Revenue (TTM)	$30.8B	**Free Cash Flow**	**$3.2B**
Earnings Growth	**+42.8%**	**Institutional Own.**	**86.6% - very high confidence**
Key Competitors	Various industry players	**Market Share**	0% US / 0% global - competitive player
Moat	Market position, Technology, Brand	**Key Products**	Core products and services

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	**+3.3 / 10**	Slightly Bullish
Articles Analyzed	4	Last 7 days (top 5 shown per category)
Bullish Articles	2 (50%)	Positive sentiment
Bearish Articles	0 (0%)	Negative sentiment
Neutral Articles	2 (50%)	Mixed/Neutral tone

■ *TOP BULLISH HEADLINES*

1. **Applied Materials (AMAT) Stock: A Top AI Pick After Record Q3 Results** (Zacks, Aug 14)

Applied Materials' record Q3 results demonstrated that the company is translating the AI infrastructure boom into higher revenue, profits, and cash fl...

Source: https://finance.yahoo.com/technology/ai/articles/applied-materials-amat-stock-to

2. **SpaceX, Sandisk, Micron, Workday, Applied Materials, Reddit, Unusual Machines, and More Stocks That** (Barrons.com, Aug 14)

Sandisk traded higher, with several Wall Street firms responding positively to the company’s long-term revenue growth plan....

Source: https://www.barrons.com/articles/stock-movers-0ed39f6f?siteid=yhoof2&yptr;=yahoo

■ *SENTIMENT INTERPRETATION*

The news sentiment is **moderately bullish**, showing generally positive coverage with some caution. Market perception appears favorable but not overwhelmingly positive. This neutral-to-positive sentiment suggests steady conditions without extreme optimism.

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

Indicator	Value	Interpretation
Current Price	$507.18	as of 2026-08-14
Volume	13.1M	avg 9.6M/day
EMA 20	$532.02	Short-term trend
EMA 50	$528.67	Medium-term trend
EMA 200	$412.80	Long-term trend
Relative Strength	**44.9**	Neutral range
MACD	**-7.50**	Bearish
MACD Signal	**-8.97**	Signal line
MACD Histogram	**1.47**	Bullish
Volatility (ATR 14)	$35.72	7.0% of price
Trend Strength (ADX)	**10.9**	Weak/No trend (<20)
+DI	**22.8**	Positive directional movement
-DI	**31.2**	Negative directional movement
Stochastic %K	**73.7**	Neutral
Stochastic %D	**73.7**	Neutral
Bollinger Upper	$583.77	Upper volatility band
Bollinger Middle	$524.29	Moving average
Bollinger Lower	$464.80	Lower volatility band
Band Position	35.6%	0% = lower band, 100% = upper
VWAP	$509.09	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	$402.7B	Total market value
Valuation	Enterprise Value	$400.0B	Total company value
Valuation	Forward P/E	**28.0x**	Price to forward earnings
Valuation	Trailing P/E	**43.7x**	Price to trailing earnings
Valuation	PEG Ratio	**1.18**	P/E relative to growth
Valuation	Price/Sales	**13.06x**	Market cap to revenue
Valuation	Price/Book	**15.71x**	Price to book value
Valuation	EV/Revenue	12.97x	Enterprise value to revenue
Valuation	EV/EBITDA	39.4x	Enterprise value to EBITDA
Performance	Revenue (TTM)	$30.8B	Trailing 12-month revenue
Performance	Revenue Growth	**+24.8%**	Year-over-year growth
Performance	Earnings Growth	**+42.8%**	Earnings growth rate
Performance	EPS Growth (Next Yr)	**+55.8%**	Forward EPS growth estimate
Performance	Gross Profit	$15.2B	Revenue minus COGS
Performance	Operating Income	$8.4B	EBIT
Performance	Net Income	$9.3B	Bottom line profit
Performance	Free Cash Flow	$3.2B	Cash after capex
Performance	Operating Cash Flow	$8.4B	Cash from operations
Profitability	Gross Margin	**49.4%**	Gross profit margin
Profitability	Operating Margin	**33.7%**	Operating efficiency
Profitability	Profit Margin	**30.1%**	Net margin
Profitability	ROE	**41.1%**	Return on equity
Profitability	ROA	**15.5%**	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	$6.5B	Total debt outstanding
Balance Sheet	Cash & Equivalents	$9.2B	Liquid assets
Balance Sheet	Book Value/Share	$32.27	Net worth per share
Balance Sheet	Current Ratio	**2.42**	Current assets/liabilities
Balance Sheet	Quick Ratio	1.63	Liquid assets/liabilities
Balance Sheet	Debt/Equity	**0.26**	Leverage ratio
Market	Beta	**1.62**	Market correlation
Market	52-Week High	$739.67	Annual high
Market	52-Week Low	$154.47	Annual low

Market	Avg Volume	9.6M	Average daily volume
Market	Shares Outstanding	0.8B	Total shares
Market	Float	0.8B	Tradeable shares
Market	Short Interest	1.8%	Shares sold short
Market	Institutional Own.	86.6%	Institution held
Analysts	Coverage Count	35	Number of analysts
Analysts	Average Rating	1.5	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	32/8/0	Rating distribution
Analysts	Target Price	$633.34	Average price target
Analysts	Target High	$900.00	Highest target
Analysts	Target Low	$358.00	Lowest target
Other	Next Earnings	Nov 12, 2026	Earnings report date
Other	Dividend Yield	0.42%	Annual dividend rate
Other	Ex-Dividend Date	1787184000	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 $
2019-07-22	2019-08-08	GOLDEN_CROSS	$47.44	$44.75	-5.7%	$-207
2019-11-15	2019-11-27	CONFLUENCE	$58.29	$54.94	-5.8%	$-221
2019-12-20	2020-03-06	CONFLUENCE	$58.26	$54.64	-6.2%	$-264
2020-05-18	2020-09-09	GOLDEN_CROSS	$51.40	$52.57	+2.3%	$+40
2020-10-12	2020-10-29	GOLDEN_CROSS	$61.60	$56.67	-8.0%	$-257
2020-11-04	2021-08-18	GOLDEN_CROSS	$61.78	$122.12	+97.7%	$+3077
2021-11-02	2022-01-25	GOLDEN_CROSS	$135.63	$127.94	-5.7%	$-254
2022-03-08	2022-06-15	CONFLUENCE	$119.65	$94.12	-21.3%	$-434
2022-07-05	2023-04-21	CONFLUENCE	$83.09	$110.42	+32.9%	$+683
2023-05-16	2023-05-30	GOLDEN_CROSS	$117.69	$133.26	+13.2%	$+623
2023-07-20	2023-09-22	CONFLUENCE	$130.79	$133.16	+1.8%	$+76
2023-11-10	2023-12-15	GOLDEN_CROSS	$147.35	$158.71	+7.7%	$+364
2024-01-19	2024-07-10	CONFLUENCE	$164.58	$250.74	+52.4%	$+2671
2024-07-17	2024-07-29	CONFLUENCE	$216.42	$202.16	-6.6%	$-285
2024-10-14	2024-10-15	GOLDEN_CROSS	$210.75	$188.21	-10.7%	$-518
2024-10-31	2024-12-24	CONFLUENCE	$178.91	$166.29	-7.1%	$-303
2025-01-22	2025-01-31	GOLDEN_CROSS	$193.09	$178.12	-7.8%	$-374
2025-05-13	2025-08-20	GOLDEN_CROSS	$171.28	$159.79	-6.7%	$-253
2025-09-03	2025-10-16	CONFLUENCE	$155.56	$226.71	+45.7%	$+2063
2026-01-05	2026-01-29	CONFLUENCE	$283.61	$340.49	+20.1%	$+1024
2026-02-13	OPEN	CONFLUENCE	$354.03	OPEN	+43.3%	$+1378

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Next Earnings: Nov 12, 2026
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