

Broadcom Inc. (AVGO) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$420.71 **-\$4.48 (-1.05%)** AS OF 2026-05-18

Strategy: No Active Position

■ QUICK DECISION

Action: WAIT | Confidence: LOW | Signal Strength: 3/7

EXECUTIVE SUMMARY - Essential Metrics

| TECHNICAL METRICS | VALUE | FUNDAMENTAL METRICS | VALUE |
|--------------------------|------------------|---------------------|--------------------------|
| Current Price | \$420.71 | Market Cap | \$1991.9B |
| Past Win Rate (Backtest) | 52.6% | Forward P/E | 23.0x |
| Past Total Return | +89.7% | Analyst Target | \$482.99 |
| RSI / Trend Strength | 57 / 26 | Upside to Target | +14.8% |
| MACD Signal | Bullish | Revenue Growth | +29.5% |
| Profit Factor | 4.56 | Institutional Own. | 80.0% |
| Open Position | No open position | Analyst Ratings | 48 Buy / 2 Hold / 0 Sell |

■ TECHNICAL ANALYSIS SUMMARY

| Indicator | Value | Signal |
|----------------------|----------|----------------------|
| EMA 20 | \$413.48 | Bullish |
| EMA 50 | \$385.62 | Bullish |
| RSI (14) | 56.5 | Neutral range |
| Trend Strength (ADX) | 26.0 | Strong trend (25-50) |

■ CONSENSUS & INVESTMENT RATIONALE

| RATING | WAIT |
|-----------------|-------------|
| Target Price | \$482.99 |
| Upside/Downside | +14.8% |
| Risk/Reward | 0.99:1 |
| Time Horizon | 6-12 months |

Investment Rationale: Our WAIT rating is based on: (1) Technical backtest showing 52.6% win rate with +89.7% total return over backtest period, (2) +14.8% upside to analyst consensus target of \$482.99, (3) Strong fundamental growth profile with +29.5% revenue growth, and (4) 80.0% institutional ownership indicating high conviction from professional investors.

Action: No confluence signal (score=3). Wait for score ≥ 5 before deploying capital.

Technical Signal: Confluence 3/7 (threshold: 5) | **Risk/Reward:** Neutral

■ KEY INSIGHT

The chandelier strategy has proven effective (Win Rate: 52.6%, Avg Return: +16.8%), 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 32% earnings growth with 80% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

| METRIC | VALUE | DETAILS |
|---------------------------|-----------------|---------------------------------------|
| Current Price | \$420.71 | Latest market price |
| Buy Stop Loss | \$389.61 | Conservative 2.0x ATR (7.4% distance) |
| Position Stop Loss | \$389.61 | Hybrid 2.00x ATR (7.4% distance) |
| ATR (14-day) | \$15.55 | Volatility: 3.7% of price |
| ADX Strength | 26.0 | Strong trend |

Status: New position - Standard stop loss levels

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

■ Strategy Comparison: Conservative vs Hybrid

| METRIC | CONSERVATIVE (2.0x ATR) | HYBRID (Adaptive) |
|--------------------------|-------------------------|-------------------|
| Past Win Rate | 53% | 55% |
| Past Total Return | +89.7% | +91.7% |
| Max Drawdown | -16.5% | -16.8% |
| Total Trades | 19 | 20 |
| Position | NONE | NONE |

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Hybrid adapts 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 |
|-------------------|------------|-------------------------|--------------|
| Mizuho | REITERATED | Outperform → Outperform | Apr 16, 2026 |
| Cantor Fitzgerald | REITERATED | Overweight → Overweight | Apr 14, 2026 |
| Citigroup | REITERATED | Buy → Buy | Apr 14, 2026 |
| Seaport Global | DOWNGRADE | Buy → Neutral | Apr 08, 2026 |
| Benchmark | REITERATED | Buy → Buy | Mar 05, 2026 |

Analyst Price Targets

Average Target: \$482.99 (+14.8% from current)

High Target: \$630.00 (+49.7%)

Low Target: \$360.00 (-14.4%)

Current Price: \$420.71

DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

Expected Returns & Position Sizing

Based on backtest performance (Win Rate: 52.6%, Avg Return: +16.8%) and analyst consensus (Target: \$482.99, +14.8% upside), a **MARKET WEIGHT** exposure may be considered. Risk/Reward ratio of 0.99:1 suggests unfavorable risk-adjusted returns. No current position - opportunity to establish entry at favorable technical levels.

Catalyst Calendar & Timing

Next Major Catalyst: Jun 03, 2026 earnings report

Seasonality: Historical analysis shows positive momentum in backtest period

Technical Setup: Bullish confluence

Institutional Activity: 80.0% institutional ownership (Largest: Blackrock Inc.)

Short Interest: 1.1% of float - Moderate short interest

Liquidity Profile

Average Volume: 24.1M shares/day - Moderately liquid

Market Cap: \$1991.9B - Large cap

Beta: 1.44 - Higher than market volatility

Execution Risk: Low for institutional-sized positions

SELL-SIDE PERSPECTIVE - Investment Research Analysis

Investment Thesis

Broadcom Inc. operates in the Technology sector (Semiconductors). Current valuation of 23.0x forward P/E reflects reasonable multiples relative to growth prospects. Operating margin of 44.9% shows strong profitability. **Fundamental Outlook:** Strong Growth - Positive operating leverage with revenue and earnings acceleration

Valuation Analysis

Forward P/E: 23.0x

Trailing P/E: 81.9x

Price/Sales: 29.17x - Premium valuation

Price/Book: 24.95x

Enterprise Value: \$2065.0B

EV/Revenue: 30.24x (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: 80.0% - Very high institutional confidence

Largest Holder: Blackrock Inc. (385.9M shares)

Analyst Coverage: 50 analysts

Consensus: 48 Buy, 2 Hold, 0 Sell - Bullish sentiment

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

| METRIC | VALUE | ANALYSIS |
|-------------------|-----------|--|
| Overall Score | +4.6 / 10 | Bullish |
| Articles Analyzed | 10 | Last 7 days (top 5 shown per category) |
| Bullish Articles | 7 (70%) | Positive sentiment |
| Bearish Articles | 0 (0%) | Negative sentiment |
| Neutral Articles | 3 (30%) | Mixed/Neutral tone |

■ TOP BULLISH HEADLINES

1. Top Analyst Reports for Broadcom, Berkshire Hathaway & Exxon Mobil (Zacks, May 18)

Broadcom sees AI revenue surging 140% in Q2 2026 as VMware integration and networking demand fuel growth momentum....

Source: <https://finance.yahoo.com/markets/stocks/articles/top-analyst-reports-broadcom-b>

2. ALAB vs. AVGO: Which AI Infrastructure Stock Is the Better Buy Now? (Zacks, May 18)

Astera Lab's Scorpio and UALink momentum are driving AI infrastructure growth, but Broadcom's surging AI revenue gives AVGO the edge now....

Source: <https://finance.yahoo.com/markets/stocks/articles/alab-vs-avgo-ai-infrastructure>

3. Pepsi, Apple, and 9 More AI Momentum Trade Winners. Plus 4 Losers to Dump. (Barrons.com, May 18)

It isn't time to bail on the Magnificent Seven yet. But there are momentum winners in staples and healthcare, too....

Source: <https://www.barrons.com/articles/pepsi-apple-nvidia-ai-momentum-trade-stocks-96c>

4. TD Cowen Raises PT on Broadcom (AVGO), Keeps a Buy (Insider Monkey, May 18)

Broadcom Inc. (NASDAQ:AVGO) is one of the Best Stocks to Invest in For 5 Years According to Billionaires. On May 15, TD Cowen raised its price target...

Source: <https://finance.yahoo.com/markets/stocks/articles/td-cowen-raises-pt-broadcom-20>

5. Nasdaq Finishes Lower. The Chip Stock Selloff Gathers Steam. (Barrons.com, May 18)

The Nasdaq finished down 0.5% but pared steeper losses. What was more notable was the performance of chip stocks. The semiconductor rally seems to b...

Source: <https://www.barrons.com/livecoverage/stock-market-news-today-051826/card/nasdaq->

■ 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: 52.6% (10 wins, 9 losses)
- Profit Factor: 4.56x (Avg Win 39.9% vs Avg Loss -8.8%)
- Current Confluence: 3 (Active) - Moderate setup
- Volatility (ATR 14): \$15.55 (3.7% of price) - Stop loss typically 2-3x ATR

Market Risk:

- Beta: 1.44 - Above-average market sensitivity
- Short Interest: 1.1% - Normal short activity

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

| Indicator | Value | Interpretation |
|----------------------|----------|-------------------------------|
| EMA 20 | \$413.48 | Short-term trend |
| EMA 50 | \$385.62 | Medium-term trend |
| EMA 200 | \$337.56 | Long-term trend |
| Relative Strength | 56.5 | Neutral range |
| MACD | 14.72 | Bullish |
| MACD Signal | 17.41 | Signal line |
| MACD Histogram | -2.70 | Bearish |
| Volatility (ATR 14) | \$15.55 | 3.7% of price |
| Trend Strength (ADX) | 26.0 | Strong trend (25-50) |
| +DI | 29.3 | Positive directional movement |
| -DI | 21.0 | Negative directional movement |
| Stochastic %K | 70.4 | Neutral |
| Stochastic %D | 69.4 | Neutral |
| Bollinger Upper | \$438.57 | Resistance zone |
| Bollinger Middle | \$419.59 | Moving average |
| Bollinger Lower | \$400.61 | Support zone |
| VWAP | \$419.03 | Volume-weighted average |

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

| Category | Metric | Value | Interpretation |
|---------------|----------------------|-----------|-----------------------------|
| Valuation | Market Cap | \$1991.9B | Total market value |
| Valuation | Enterprise Value | \$2065.0B | Total company value |
| Valuation | Forward P/E | 23.0x | Price to forward earnings |
| Valuation | Trailing P/E | 81.9x | Price to trailing earnings |
| Valuation | PEG Ratio | 0.93 | P/E relative to growth |
| Valuation | Price/Sales | 29.17x | Market cap to revenue |
| Valuation | Price/Book | 24.95x | Price to book value |
| Valuation | EV/Revenue | 30.24x | Enterprise value to revenue |
| Valuation | EV/EBITDA | 55.5x | Enterprise value to EBITDA |
| Performance | Revenue (TTM) | \$68.3B | Trailing 12-month revenue |
| Performance | Revenue Growth | +29.5% | Year-over-year growth |
| Performance | Earnings Growth | +31.6% | Earnings growth rate |
| Performance | EPS Growth (Next Yr) | +255.2% | Forward EPS growth estimate |
| Performance | Gross Profit | \$52.4B | Revenue minus COGS |
| Performance | Operating Income | \$29.7B | EBIT |
| Performance | Net Income | \$25.0B | Bottom line profit |
| Performance | Free Cash Flow | \$25.5B | Cash after capex |
| Performance | Operating Cash Flow | \$29.7B | Cash from operations |
| Profitability | Gross Margin | 76.7% | Gross profit margin |
| Profitability | Operating Margin | 44.9% | Operating efficiency |
| Profitability | Profit Margin | 36.6% | Net margin |
| Profitability | ROE | 33.4% | Return on equity |
| Profitability | ROA | 10.7% | 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 | \$66.1B | Total debt outstanding |
| Balance Sheet | Cash & Equivalents | \$14.2B | Liquid assets |
| Balance Sheet | Book Value/Share | \$16.86 | Net worth per share |
| Balance Sheet | Current Ratio | 1.90 | Current assets/liabilities |
| Balance Sheet | Quick Ratio | 1.67 | Liquid assets/liabilities |
| Balance Sheet | Debt/Equity | 0.83 | Leverage ratio |
| Market | Beta | 1.44 | Market correlation |
| Market | 52-Week High | \$442.36 | Annual high |
| Market | 52-Week Low | \$221.60 | Annual low |

| | | | |
|-----------------|--------------------|--------------|----------------------|
| Market | Avg Volume | 24.1M | Average daily volume |
| Market | Shares Outstanding | 4.7B | Total shares |
| Market | Float | 4.7B | Tradeable shares |
| Market | Short Interest | 1.1% | Shares sold short |
| Market | Institutional Own. | 80.0% | Institution held |
| Analysts | Coverage Count | 42 | Number of analysts |
| Analysts | Average Rating | 1.3 | 1=Strong Buy, 5=Sell |
| Analysts | Buy/Hold/Sell | 48/2/0 | Rating distribution |
| Analysts | Target Price | \$482.99 | Average price target |
| Analysts | Target High | \$630.00 | Highest target |
| Analysts | Target Low | \$360.00 | Lowest target |
| Other | Next Earnings | Jun 03, 2026 | Earnings report date |
| Other | Dividend Yield | 0.61% | Annual dividend rate |
| Other | Ex-Dividend Date | 1774224000 | 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 \$ |
|------------|------------|--------------|----------|----------|------------|-------------|
| 2019-07-02 | 2019-07-09 | GOLDEN_CROSS | \$24.87 | \$23.20 | -6.7% | \$-227 |
| 2019-07-15 | 2019-08-08 | GOLDEN_CROSS | \$24.28 | \$22.82 | -6.0% | \$-212 |
| 2019-12-12 | 2019-12-13 | CONFLUENCE | \$27.86 | \$26.81 | -3.8% | \$-200 |
| 2020-01-24 | 2020-02-25 | CONFLUENCE | \$27.82 | \$24.27 | -12.8% | \$-575 |
| 2020-05-04 | 2021-01-25 | CONFLUENCE | \$22.90 | \$41.73 | +82.2% | \$+1544 |
| 2021-06-02 | 2022-01-26 | GOLDEN_CROSS | \$42.86 | \$51.50 | +20.2% | \$+881 |
| 2022-02-09 | 2022-04-26 | CONFLUENCE | \$56.51 | \$52.12 | -7.8% | \$-263 |
| 2022-05-20 | 2022-07-06 | CONFLUENCE | \$50.55 | \$45.29 | -10.4% | \$-253 |
| 2022-08-08 | 2022-08-31 | GOLDEN_CROSS | \$51.19 | \$46.83 | -8.5% | \$-375 |
| 2022-11-03 | 2023-07-17 | CONFLUENCE | \$42.02 | \$87.95 | +109.3% | \$+3169 |
| 2023-08-31 | 2023-09-13 | CONFLUENCE | \$89.16 | \$82.40 | -7.6% | \$-358 |
| 2023-09-21 | 2024-01-24 | CONFLUENCE | \$78.52 | \$122.36 | +55.8% | \$+2499 |
| 2024-02-22 | 2024-08-07 | CONFLUENCE | \$127.34 | \$133.97 | +5.2% | \$+285 |
| 2024-08-15 | 2024-09-09 | GOLDEN_CROSS | \$163.32 | \$138.44 | -15.2% | \$-473 |
| 2024-09-12 | 2024-11-25 | GOLDEN_CROSS | \$161.78 | \$162.57 | +0.5% | \$+14 |
| 2024-12-09 | 2025-03-03 | GOLDEN_CROSS | \$176.49 | \$185.30 | +5.0% | \$+247 |
| 2025-04-07 | 2025-06-30 | CONFLUENCE | \$152.90 | \$274.08 | +79.2% | \$+1696 |
| 2025-09-05 | 2025-12-31 | CONFLUENCE | \$332.98 | \$345.38 | +3.7% | \$+161 |
| 2026-01-23 | 2026-05-14 | CONFLUENCE | \$319.38 | \$439.79 | +37.7% | \$+1565 |

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Next Earnings: Jun 03, 2026

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