

Johnson & Johnson (JNJ) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$226.71 **-\$4.09 (-1.77%)** AS OF 2026-05-15

Strategy: No Active Position

■ QUICK DECISION

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

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	\$226.71	Market Cap	\$545.7B
Past Win Rate (Backtest)	50.0%	Forward P/E	17.8x
Past Total Return	+25.0%	Analyst Target	\$252.96
RSI / Trend Strength	46 / 20	Upside to Target	+11.6%
MACD Signal	Bearish	Revenue Growth	+9.9%
Profit Factor	2.64	Institutional Own.	76.9%
Open Position	No open position	Analyst Ratings	14 Buy / 10 Hold / 1 Sell

■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$228.00	Bearish
EMA 50	\$230.96	Bearish
RSI (14)	45.7	Neutral range
Trend Strength (ADX)	20.1	Emerging trend (20-25)

■ CONSENSUS & INVESTMENT RATIONALE

RATING	WAIT
Target Price	\$252.96
Upside/Downside	+11.6%
Risk/Reward	0.77:1
Time Horizon	6-12 months

Investment Rationale: Our WAIT rating is based on: (1) Technical backtest showing 50.0% win rate with +25.0% total return over backtest period, (2) +11.6% upside to analyst consensus target of \$252.96, (3) Moderate fundamental growth profile with +9.9% revenue growth, and (4) 76.9% institutional ownership indicating high conviction from professional investors.

Action: No confluence signal (score=0). Wait for score ≥ 5 before deploying capital.

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

■ KEY INSIGHT

The chandelier strategy has proven effective (Win Rate: 50.0%, Avg Return: +2.6%), 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 -53% earnings growth with 77% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	\$226.71	Latest market price
Buy Stop Loss	\$218.18	Conservative 2.0x ATR (3.8% distance)
Position Stop Loss	\$218.18	Hybrid 2.00x ATR (3.8% distance)
ATR (14-day)	\$4.27	Volatility: 1.9% of price
ADX Strength	20.1	Emerging 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	50%	52%
Past Total Return	+25.0%	+46.9%
Max Drawdown	-12.2%	-9.1%
Total Trades	18	21
Position	NONE	NONE

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

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■ ANALYST RATING CHANGES - COMPLETE HISTORY

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

Firm	Action	From → To	Date
Leerink Partners	UPGRADE	Market Perform → Outperform	May 13, 2026
RBC Capital	REITERATED	Outperform → Outperform	Mar 30, 2026

Analyst Price Targets

Average Target: \$252.96 (+11.6% from current)

High Target: \$285.00 (+25.7%)

Low Target: \$155.00 (-31.6%)

Current Price: \$226.71

DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

Expected Returns & Position Sizing

Based on backtest performance (Win Rate: 50.0%, Avg Return: +2.6%) and analyst consensus (Target: \$252.96, +11.6% upside), a **MARKET WEIGHT** exposure may be considered. Risk/Reward ratio of 0.77:1 suggests unfavorable risk-adjusted returns. No current position - opportunity to establish entry at favorable technical levels.

Catalyst Calendar & Timing

Next Major Catalyst: Jul 15, 2026 earnings report

Seasonality: Historical analysis shows positive momentum in backtest period

Technical Setup: Neutral - waiting for confluence signal

Institutional Activity: 76.9% institutional ownership (Largest: Blackrock Inc.)

Short Interest: 1.0% of float - Moderate short interest

Liquidity Profile

Average Volume: 8.0M shares/day - Lower liquidity

Market Cap: \$545.7B - Large cap

Beta: 0.26 - Lower than market volatility

Execution Risk: Moderate for institutional-sized positions

SELL-SIDE PERSPECTIVE - Investment Research Analysis

Investment Thesis

Johnson & Johnson operates in the Healthcare sector (Drug Manufacturers - General). Current valuation of 17.8x forward P/E reflects reasonable multiples relative to growth prospects. Operating margin of 27.4% shows strong profitability. **Fundamental Outlook:** Moderate Growth - Monitoring profitability amid revenue expansion

Valuation Analysis

Forward P/E: 17.8x

Trailing P/E: 26.2x

Price/Sales: 5.66x - Premium valuation

Price/Book: 6.72x

Enterprise Value: \$578.7B

EV/Revenue: 6.01x (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: 76.9% - Very high institutional confidence

Largest Holder: Blackrock Inc. (213.4M shares)

Analyst Coverage: 25 analysts

Consensus: 14 Buy, 10 Hold, 1 Sell - Bullish sentiment

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	+4.5 / 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. Jim Cramer on CoreWeave: “A Stock That’s Not for the Squeamish” (Insider Monkey, May 14)

CoreWeave, Inc. (NASDAQ:CRWV) was among the stocks on Jim Cramer’s radar as he highlighted the importance of lower interest rates in sustaining the br...

Source: <https://finance.yahoo.com/markets/stocks/articles/jim-cramer-coreweave-stock-not>

2. How Important Are Skyrizi and Rinvoq to AbbVie's Q1 Results? (Zacks, May 15)

ABBV's Q1 beat is powered by Skyrizi and Rinvoq, whose strong sales growth offset Humira declines and boosts 2026 guidance....

Source: <https://finance.yahoo.com/sectors/healthcare/articles/important-skyrizi-rinvoq-a>

3. The Magnificent Seven Fell 40% While the S&P; Dropped 18%: Here’s How Much Tech Concentration You Can (24/7 Wall St., May 14)

I’ve been studying portfolio concentration for years, and one stat from Schwab’s On Investing podcast keeps echoing in my head. In 2022, the Magnifice...

Source: <https://247wallst.com/investing/2026/05/13/the-magnificent-seven-fell-40-while-t>

4. Why Keeping Emergency Cash in Checking Costs You \$15,000 Over a Decade (24/7 Wall St., May 15)

On episode 168 of the Rich Habits Podcast, co-host Robert Croak made a pitch that sounds almost too easy to be a strategy. He noted, “The easiest stre...

Source: <https://247wallst.com/personal-finance/2026/05/15/why-keeping-emergency-cash-in->

5. What Retirement Really Looks Like at 64 With \$2.4 Million and a Father Moving Into the Guest Room Ne (24/7 Wall St., May 15)

The retirement plan looked straightforward until March 2026. A 64-year-old couple in Pennsylvania had built a \$2.4 million portfolio around a familiar...

Source: <https://247wallst.com/personal-finance/2026/05/15/what-retirement-really-looks-l>

■ 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: 50.0% (9 wins, 9 losses)
- Profit Factor: 2.64x (Avg Win 8.5% vs Avg Loss -3.2%)
- Current Confluence: 0 (Last: 4 on May 11) - No setup - awaiting signal
- Volatility (ATR 14): \$4.27 (1.9% of price) - Stop loss typically 2-3x ATR

Market Risk:

- Beta: 0.26 - Below-average market sensitivity
- Short Interest: 1.0% - Normal short activity

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

Indicator	Value	Interpretation
EMA 20	\$228.00	Short-term trend
EMA 50	\$230.96	Medium-term trend
EMA 200	\$212.17	Long-term trend
Relative Strength	45.7	Neutral range
MACD	-2.29	Bearish
MACD Signal	-3.06	Signal line
MACD Histogram	0.78	Bullish
Volatility (ATR 14)	\$4.27	1.9% of price
Trend Strength (ADX)	20.1	Emerging trend (20-25)
+DI	22.0	Positive directional movement
-DI	26.3	Negative directional movement
Stochastic %K	79.5	Neutral
Stochastic %D	66.3	Neutral
Bollinger Upper	\$232.48	Resistance zone
Bollinger Middle	\$226.52	Moving average
Bollinger Lower	\$220.56	Support zone
VWAP	\$228.43	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$545.7B	Total market value
Valuation	Enterprise Value	\$578.7B	Total company value
Valuation	Forward P/E	17.8x	Price to forward earnings
Valuation	Trailing P/E	26.2x	Price to trailing earnings
Valuation	PEG Ratio	3.00	P/E relative to growth
Valuation	Price/Sales	5.66x	Market cap to revenue
Valuation	Price/Book	6.72x	Price to book value
Valuation	EV/Revenue	6.01x	Enterprise value to revenue
Valuation	EV/EBITDA	16.9x	Enterprise value to EBITDA
Performance	Revenue (TTM)	\$96.4B	Trailing 12-month revenue
Performance	Revenue Growth	+9.9%	Year-over-year growth
Performance	Earnings Growth	-52.9%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+47.1%	Forward EPS growth estimate
Performance	Gross Profit	\$65.6B	Revenue minus COGS
Performance	Operating Income	\$22.9B	EBIT
Performance	Net Income	\$21.0B	Bottom line profit
Performance	Free Cash Flow	\$12.5B	Cash after capex
Performance	Operating Cash Flow	\$22.9B	Cash from operations
Profitability	Gross Margin	68.0%	Gross profit margin
Profitability	Operating Margin	27.4%	Operating efficiency
Profitability	Profit Margin	21.8%	Net margin
Profitability	ROE	26.4%	Return on equity
Profitability	ROA	8.4%	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	\$55.0B	Total debt outstanding
Balance Sheet	Cash & Equivalents	\$22.1B	Liquid assets
Balance Sheet	Book Value/Share	\$33.73	Net worth per share
Balance Sheet	Current Ratio	1.02	Current assets/liabilities
Balance Sheet	Quick Ratio	0.69	Liquid assets/liabilities
Balance Sheet	Debt/Equity	0.68	Leverage ratio
Market	Beta	0.26	Market correlation
Market	52-Week High	\$251.71	Annual high
Market	52-Week Low	\$149.04	Annual low

Market	Avg Volume	8.0M	Average daily volume
Market	Shares Outstanding	2.4B	Total shares
Market	Float	2.4B	Tradeable shares
Market	Short Interest	1.0%	Shares sold short
Market	Institutional Own.	76.9%	Institution held
Analysts	Coverage Count	24	Number of analysts
Analysts	Average Rating	2.0	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	14/10/1	Rating distribution
Analysts	Target Price	\$252.96	Average price target
Analysts	Target High	\$285.00	Highest target
Analysts	Target Low	\$155.00	Lowest target
Other	Next Earnings	Jul 15, 2026	Earnings report date
Other	Dividend Yield	2.36%	Annual dividend rate
Other	Ex-Dividend Date	1779753600	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 \$
2019-06-14	2019-07-16	GOLDEN_CROSS	\$140.09	\$132.50	-5.4%	\$-334
2019-08-07	2020-02-06	CONFLUENCE	\$130.21	\$153.53	+17.9%	\$+1073
2020-02-27	2020-03-03	CONFLUENCE	\$139.12	\$135.59	-2.5%	\$-159
2020-04-16	2020-09-03	GOLDEN_CROSS	\$149.67	\$149.55	-0.1%	\$-2
2020-12-18	2021-06-22	CONFLUENCE	\$154.51	\$163.62	+5.9%	\$+383
2021-07-06	2021-09-14	GOLDEN_CROSS	\$167.97	\$164.80	-1.9%	\$-171
2021-10-12	2022-02-22	CONFLUENCE	\$157.69	\$161.14	+2.2%	\$+159
2022-03-15	2022-08-15	GOLDEN_CROSS	\$176.14	\$166.09	-5.7%	\$-312
2022-08-15	2022-09-27	CONFLUENCE	\$166.09	\$164.94	-0.7%	\$-45
2022-10-07	2023-01-20	CONFLUENCE	\$160.20	\$168.74	+5.3%	\$+307
2023-04-14	2023-05-15	GOLDEN_CROSS	\$165.84	\$159.55	-3.8%	\$-289
2023-06-16	2023-07-11	CONFLUENCE	\$164.23	\$158.63	-3.4%	\$-308
2023-07-20	2023-08-10	CONFLUENCE	\$168.38	\$172.17	+2.2%	\$+148
2023-10-27	2023-12-01	CONFLUENCE	\$145.60	\$158.38	+8.8%	\$+537
2023-12-13	2024-04-12	CONFLUENCE	\$155.79	\$147.52	-5.3%	\$-414
2024-12-20	2025-04-09	CONFLUENCE	\$144.47	\$150.97	+4.5%	\$+286
2025-08-04	2025-12-15	CONFLUENCE	\$171.04	\$214.17	+25.2%	\$+1596
2026-01-14	2026-04-24	CONFLUENCE	\$218.55	\$227.50	+4.1%	\$+286

IMPORTANT DISCLAIMER

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Next Earnings: Jul 15, 2026

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