Merck & Co., Inc. (MRK) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

$135.84 **+$0.29 (+0.21%)** AS OF 2026-08-14

Strategy: Conservative Stop Loss (Fixed ATR-based)

QUICK DECISION

Action: HOLD | **Confidence:** LOW | **Signal Strength:** 0/7 (no confluence event in the last 30 days)

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	$135.84	Market Cap	$335.1B
Past Win Rate (Backtest)	50.0%	Forward P/E	14.2x
Past Total Return	+19.9%	Analyst Target	$137.73
RSI / Trend Strength	69 / 21	Upside to Target	+1.4%
MACD Signal	Bullish	Revenue Growth	+5.1%
Profit Factor	1.77	Institutional Own.	82.8%
Position Entry	2026-05-26 @ $118.87	Analyst Ratings	19 Buy / 10 Hold / 0 Sell
Open Position Past P&L	+14.3%		

TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	$130.05	Bullish
EMA 50	$126.02	Bullish
RSI (14)	68.8	Strong bullish momentum
Trend Strength (ADX)	21.3	Emerging trend (20-25)

CONSENSUS HUD

HOLD +1.4% to $137.73 on a 0.29:1 reward-to-risk, 6-12 month horizon

SIGNAL STRENGTH	WIN RATE	STREET	UPSIDE	RISK / REWARD
0/7	**50%**	**19/29**	**+1.4%**	**0.29:1**
no signal in 30d	20 backtested trades	analysts rate buy	to analyst target	vs. 2x ATR stop

Technical Confluence	**0/7 (no signal in 30d)**	**Backtest**	**50.0% win rate, +19.9% total return**
Analyst Consensus	**19 buy / 10 hold / 0 sell**	**Target Price**	**$137.73 (+1.4%)**
Market Volatility	**Beta 0.21**	**Valuation**	**14.2x forward P/E**
Revenue Growth	**+5.1%**	**Institutional Own.**	**82.8%**
Position	**Already open — +14.3%**	**News Sentiment**	**Slightly Bullish (+2.3/10)**

Action Plan: Maintain position with +14.3% unrealized gain. Watch for confluence signal to add.

Run real-time technicals and stop-loss logic for MRK at ultrastockanalysispro.com

■ *KEY INSIGHT*

The fixed stop strategy has proven effective (Win Rate: 50.0%, Avg Return: +2.2%), 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 0% earnings growth with 83% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	**$135.84**	Latest market price
Buy Stop Loss	**$129.25**	Conservative 2.0x ATR (4.9% distance)
Position Stop Loss	**$130.90**	Adaptive 1.50x ATR (3.6% distance)
ATR (14-day)	$3.30	Volatility: 2.4% of price
ADX Strength	21.3	Emerging trend

Status: Position up +14% - 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	50%	52%
Past Total Return	+19.9%	+23.8%
Max Drawdown	-11.7%	-8.6%
Total Trades	20	21
Position	OPEN	OPEN

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
Daiwa Capital	UPGRADE	Neutral → Outperform	Aug 12, 2026
RBC Capital	REITERATED	Outperform → Outperform	Jul 08, 2026
Cantor Fitzgerald	REITERATED	Neutral → Neutral	Jul 06, 2026
CICC	INITIATED	Outperform	Jun 24, 2026

Analyst Price Targets

Average Target: $137.73 (+1.4% from current)
High Target: $155.00 (+14.1%)
Low Target: $105.00 (-22.7%)
Current Price: $135.84

RISK HUD - Deep Dive Assessment

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

CONTAINED RISK no single axis reads high

MARKET	VOLATILITY	VALUATION	EVENT	TECHNICAL
LOW	MODERATE	LOW	LOW	MODERATE
beta 0.21	ATR 2.4% of price	fwd P/E 14.2x	earnings in 76d	RSI 69

Mitigation - Stop	2-3x ATR = $6.59 - $9.89 below entry (4.9% at 2x)	**Mitigation - Sizing**	standard position size is supportable
52-Week Range	$77.58 - $135.97, now $135.84	**Next Earnings**	Oct 29, 2026 (76d away)
Short Interest	1.1% of float - normal short activity	**Sector Exposure**	Healthcare - cycle and regulatory risk specific to the group
Backtest Edge	50.0% win rate (10W / 10L), 1.77x profit factor	**Win vs. Loss Size**	avg win 10.0% vs. avg loss -5.7%
Current Setup	0/7 (no signal in 30d) - no setup, awaiting signal	**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.

MARKET WEIGHT +1.4% to the $137.73 analyst target against a 4.9% stop - unfavorable risk-adjusted return

UPSIDE	RISK / REWARD	WIN RATE	PROFIT FACTOR	POSITION
+1.4%	**0.29:1**	**50%**	**1.77x**	**+14.3%**
to analyst target	vs. 2x ATR stop	20 backtested trades	avg trade +2.2%	open position

Signal Strength	**0/7 (no signal in 30d) - no setup, awaiting signal**	**RSI / ADX**	**69 / 21.3 - emerging trend (20-25)**
Stop Zone (2-3x ATR)	$6.59 - $9.89 below entry	**Next Catalyst**	Oct 29, 2026 earnings
Avg Volume	**10.2M/day - moderately liquid**	**Execution Risk**	**Low at institutional size**
Market Cap	$335.1B - large cap	**Beta**	**0.21 - below-market volatility**
Institutional Own.	**82.8% - largest: Blackrock Inc.**	**Short Interest**	1.1% of float - moderate

SELL-SIDE HUD - Investment Research

Merck & Co., Inc. - Healthcare / Drug Manufacturers - General. What the business is worth and where the Street stands.

MODERATE GROWTH revenue expanding - profitability the item to watch

FORWARD P/E	PEG	REVENUE GROWTH	EPS GROWTH	OPERATING MARGIN
14.2x	**2.79**	**+5%**	**+665%**	**-0%**
discounted multiple	growth-adjusted P/E	year over year	next fiscal year	profitability

Analyst Consensus	**Strong Buy - 19B / 10H / 0S across 29 analysts**	**Target Range**	**$105.00 - $155.00, avg $137.73 (+1.4%)**
Trailing P/E	**108.7x**	**Price / Sales**	**5.03x - premium**
Price / Book	**7.31x**	**Enterprise Value**	$382.0B (5.74x revenue)
Revenue (TTM)	$66.6B	**Free Cash Flow**	**$15.2B**
Earnings Growth	**+0.0%**	**Institutional Own.**	**82.8% - 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	**+2.3 / 10**	Slightly Bullish
Articles Analyzed	5	Last 7 days (top 5 shown per category)
Bullish Articles	2 (40%)	Positive sentiment
Bearish Articles	0 (0%)	Negative sentiment
Neutral Articles	3 (60%)	Mixed/Neutral tone

■ *TOP BULLISH HEADLINES*

1. **5 Insightful Analyst Questions From Merck’s Q2 Earnings Call** (StockStory, Aug 12)

Merck's second quarter was marked by continued sales growth, primarily driven by the strength of its oncology portfolio and contributions from new pro...

Source: https://finance.yahoo.com/healthcare/articles/5-insightful-analyst-questions-mer

2. **Merck (MRK) Stock Fair Value Edges Higher After Analysts Back Pipeline Progress** (Simply Wall St., Aug 13)

Price target commentary for Merck has shifted toward a US$140 to US$155 range, anchored by a modest uplift in fair value from US$132.78 to US$136.85. ...

Source: https://finance.yahoo.com/markets/stocks/articles/merck-mrk-stock-fair-value-200

■ *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	$135.84	as of 2026-08-14
Volume	6.9M	avg 10.2M/day
EMA 20	$130.05	Short-term trend
EMA 50	$126.02	Medium-term trend
EMA 200	$113.52	Long-term trend
Relative Strength	**68.8**	Strong bullish momentum
MACD	**2.30**	Bullish
MACD Signal	**1.89**	Signal line
MACD Histogram	**0.41**	Bullish
Volatility (ATR 14)	$3.30	2.4% of price
Trend Strength (ADX)	**21.3**	Emerging trend (20-25)
+DI	**28.8**	Positive directional movement
-DI	**13.6**	Negative directional movement
Stochastic %K	**91.1**	Overbought
Stochastic %D	**74.7**	Neutral
Bollinger Upper	$135.55	Upper volatility band
Bollinger Middle	$129.97	Moving average
Bollinger Lower	$124.38	Lower volatility band
Band Position	102.6%	0% = lower band, 100% = upper
VWAP	$135.07	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	$335.1B	Total market value
Valuation	Enterprise Value	$382.0B	Total company value
Valuation	Forward P/E	14.2x	Price to forward earnings
Valuation	Trailing P/E	108.7x	Price to trailing earnings
Valuation	PEG Ratio	2.79	P/E relative to growth
Valuation	Price/Sales	5.03x	Market cap to revenue
Valuation	Price/Book	7.31x	Price to book value
Valuation	EV/Revenue	5.74x	Enterprise value to revenue
Valuation	EV/EBITDA	13.2x	Enterprise value to EBITDA
Performance	Revenue (TTM)	$66.6B	Trailing 12-month revenue
Performance	Revenue Growth	+5.1%	Year-over-year growth
Performance	Earnings Growth	+0.0%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+664.8%	Forward EPS growth estimate
Performance	Gross Profit	$50.5B	Revenue minus COGS
Performance	Operating Income	$20.0B	EBIT
Performance	Net Income	$3.2B	Bottom line profit
Performance	Free Cash Flow	$15.2B	Cash after capex
Performance	Operating Cash Flow	$20.0B	Cash from operations
Profitability	Gross Margin	75.9%	Gross profit margin
Profitability	Operating Margin	-0.2%	Operating efficiency
Profitability	Profit Margin	4.8%	Net margin
Profitability	ROE	7.0%	Return on equity
Profitability	ROA	11.9%	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	$53.9B	Total debt outstanding
Balance Sheet	Cash & Equivalents	$7.1B	Liquid assets
Balance Sheet	Book Value/Share	$18.58	Net worth per share
Balance Sheet	Current Ratio	1.32	Current assets/liabilities
Balance Sheet	Quick Ratio	0.74	Liquid assets/liabilities
Balance Sheet	Debt/Equity	1.28	Leverage ratio
Market	Beta	0.21	Market correlation
Market	52-Week High	$135.97	Annual high
Market	52-Week Low	$77.58	Annual low

Market	Avg Volume	10.2M	Average daily volume
Market	Shares Outstanding	2.5B	Total shares
Market	Float	2.5B	Tradeable shares
Market	Short Interest	1.1%	Shares sold short
Market	Institutional Own.	82.8%	Institution held
Analysts	Coverage Count	26	Number of analysts
Analysts	Average Rating	1.8	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	19/10/0	Rating distribution
Analysts	Target Price	$137.73	Average price target
Analysts	Target High	$155.00	Highest target
Analysts	Target Low	$105.00	Lowest target
Other	Next Earnings	Oct 29, 2026	Earnings report date
Other	Dividend Yield	2.50%	Annual dividend rate
Other	Ex-Dividend Date	1789430400	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 $
2020-02-13	2020-03-17	CONFLUENCE	$63.75	$58.40	-8.4%	$-433
2020-04-20	2020-06-16	GOLDEN_CROSS	$65.16	$60.83	-6.6%	$-156
2020-09-02	2020-09-03	CONFLUENCE	$68.70	$67.57	-1.7%	$-92
2020-10-30	2021-01-29	CONFLUENCE	$59.87	$61.84	+3.3%	$+147
2021-03-04	2021-03-29	CONFLUENCE	$57.91	$63.38	+9.4%	$+476
2021-04-05	2021-04-06	GOLDEN_CROSS	$62.33	$61.35	-1.6%	$-89
2021-10-01	2021-12-02	CONFLUENCE	$70.27	$63.79	-9.2%	$-395
2022-01-10	2022-02-08	CONFLUENCE	$71.78	$67.02	-6.6%	$-305
2022-03-23	2022-08-08	GOLDEN_CROSS	$70.10	$78.44	+11.9%	$+575
2022-08-12	2022-11-09	GOLDEN_CROSS	$80.68	$90.77	+12.5%	$+545
2022-11-30	2022-12-14	CONFLUENCE	$98.40	$100.33	+2.0%	$+109
2023-01-27	2023-06-07	CONFLUENCE	$94.78	$98.37	+3.8%	$+201
2023-10-19	2024-02-07	CONFLUENCE	$92.19	$117.86	+27.8%	$+1720
2024-03-27	2024-04-11	CONFLUENCE	$122.59	$117.38	-4.2%	$-297
2024-06-28	2024-07-16	CONFLUENCE	$115.88	$117.42	+1.3%	$+66
2024-11-15	2025-02-07	CONFLUENCE	$90.75	$82.90	-8.7%	$-463
2025-04-16	2025-07-25	CONFLUENCE	$73.25	$81.97	+11.9%	$+340
2025-10-02	2025-10-17	GOLDEN_CROSS	$87.47	$82.86	-5.3%	$-249
2025-11-18	2026-01-08	CONFLUENCE	$94.23	$109.39	+16.1%	$+697
2026-02-03	2026-04-28	CONFLUENCE	$114.17	$109.24	-4.3%	$-212
2026-05-26	OPEN	GOLDEN_CROSS	$118.87	OPEN	+14.3%	$+1035

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Next Earnings: Oct 29, 2026
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