

Microsoft Corporation (MSFT) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$421.92 **+\$12.49 (+3.05%)** AS OF 2026-05-15

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	\$421.92	Market Cap	\$3134.2B
Past Win Rate (Backtest)	57.1%	Forward P/E	21.8x
Past Total Return	+39.0%	Analyst Target	\$561.56
RSI / Trend Strength	58 / 16	Upside to Target	+33.1%
MACD Signal	Bullish	Revenue Growth	+18.3%
Profit Factor	2.72	Institutional Own.	75.7%
Position Entry	2026-04-27 @ \$424.82	Analyst Ratings	54 Buy / 3 Hold / 0 Sell
Open Position Past P&L	-0.7%		

■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$411.76	Bullish
EMA 50	\$409.06	Bullish
RSI (14)	57.9	Neutral range
Trend Strength (ADX)	16.2	Weak/No trend (<20)

■ CONSENSUS & INVESTMENT RATIONALE

RATING	BUY
Target Price	\$561.56
Upside/Downside	+33.1%
Risk/Reward	2.21:1
Time Horizon	6-12 months

Investment Rationale: Our BUY rating is based on: (1) Technical backtest showing 57.1% win rate with +39.0% total return over backtest period, (2) +33.1% upside to analyst consensus target of \$561.56, (3) Strong fundamental growth profile with +18.3% revenue growth, and (4) 75.7% institutional ownership indicating high conviction from professional investors.

Action: Maintain position with -0.7% 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: 57.1%, Avg Return: +7.4%), 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 23% earnings growth with 76% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	\$421.92	Latest market price
Buy Stop Loss	\$399.79	Conservative 2.0x ATR (5.2% distance)
Position Stop Loss	\$394.26	Hybrid 2.50x ATR (6.6% distance)
ATR (14-day)	\$11.06	Volatility: 2.6% of price
ADX Strength	16.2	Weak/No Trend

Status: Position down -1% - Wider stops for recovery

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	57%	53%
Past Total Return	+39.0%	+76.1%
Max Drawdown	-21.2%	-13.6%
Total Trades	14	19
Position	OPEN	OPEN

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
Wedbush	REITERATED	Outperform → Outperform	May 13, 2026
Guggenheim	REITERATED	Buy → Buy	Apr 30, 2026
Cantor Fitzgerald	REITERATED	Overweight → Overweight	Apr 30, 2026
Wedbush	REITERATED	Outperform → Outperform	Apr 30, 2026
Truist Securities	REITERATED	Buy → Buy	Apr 30, 2026
Benchmark	REITERATED	Buy → Buy	Apr 28, 2026
Oppenheimer	REITERATED	Outperform → Outperform	Apr 27, 2026
Guggenheim	REITERATED	Buy → Buy	Apr 23, 2026

Analyst Price Targets

Average Target: \$561.56 (+33.1% from current)

High Target: \$870.00 (+106.2%)

Low Target: \$400.00 (-5.2%)

Current Price: \$421.92

DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

Expected Returns & Position Sizing

Based on backtest performance (Win Rate: 57.1%, Avg Return: +7.4%) and analyst consensus (Target: \$561.56, +33.1% upside), an **OVERWEIGHT** exposure may be considered. Risk/Reward ratio of 2.21:1 suggests favorable risk-adjusted returns. Current open position shows -0.7% unrealized gain, supporting review decision.

Catalyst Calendar & Timing

Next Major Catalyst: Jul 29, 2026 earnings report

Seasonality: Historical analysis shows positive momentum in backtest period

Technical Setup: Neutral - waiting for confluence signal

Institutional Activity: 75.7% institutional ownership (Largest: Blackrock Inc.)

Short Interest: 1.1% of float - Moderate short interest

Liquidity Profile

Average Volume: 34.1M shares/day - Moderately liquid

Market Cap: \$3134.2B - Large cap

Beta: 1.09 - Market-like volatility

Execution Risk: Low for institutional-sized positions

SELL-SIDE PERSPECTIVE - Investment Research Analysis

Investment Thesis

Microsoft Corporation operates in the Technology sector (Software - Infrastructure). Current valuation of 21.8x forward P/E reflects reasonable multiples relative to growth prospects. Operating margin of 46.3% shows strong profitability. **Fundamental Outlook:** Strong Growth - Positive operating leverage with revenue and earnings acceleration

Valuation Analysis

Forward P/E: 21.8x

Trailing P/E: 25.1x

Price/Sales: 9.85x - Premium valuation

Price/Book: 7.56x

Enterprise Value: \$3181.4B

EV/Revenue: 10.00x (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: 75.7% - Very high institutional confidence

Largest Holder: Blackrock Inc. (593.3M shares)

Analyst Coverage: 57 analysts

Consensus: 54 Buy, 3 Hold, 0 Sell - Bullish sentiment

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	+3.1 / 10	Slightly Bullish
Articles Analyzed	10	Last 7 days (top 5 shown per category)
Bullish Articles	5 (50%)	Positive sentiment
Bearish Articles	0 (0%)	Negative sentiment
Neutral Articles	5 (50%)	Mixed/Neutral tone

■ TOP BULLISH HEADLINES

1. Trump's More Than 3,700 Trades Astonish Wall Street Insiders (Bloomberg, May 16)

(Bloomberg) -- President Donald Trump's latest financial disclosures show that he or his investment advisers made more than 3,700 trades in the first ...

Source: <https://finance.yahoo.com/markets/stocks/articles/trump-traded-nvidia-boeing-int>

2. The Staggering Number Jensen Huang Just Revealed Changes Everything About AI (24/7 Wall St., May 16)

The U.S. electricity grid hasn't faced a demand shock like this since the post-World War II industrial boom. For decades, power consumption grew at a ...

Source: <https://247wallst.com/investing/2026/05/16/the-staggering-number-jensen-huang-ju>

3. Wall Street Billionaires Make Amazon Their Top AI Trade (BeInCrypto, May 16)

Bill Ackman, David Tepper, and other top investors lifted Amazon stakes sharply in Q1 2026 13F filings released May 15....

Source: <https://beincrypto.com/wall-street-billionaires-buying-amazon-stock/>

4. Bill Gates' Foundation Sells the Last of Its Microsoft Stock (Barrons.com, May 16)

The charity foundation of Microsoft founder Bill Gates no longer owns Microsoft stock. On Friday, the charity's endowment, the Gates Foundation Tru...

Source: <https://www.barrons.com/articles/gates-foundation-microsoft-stock-37051066?sitei>

5. Microsoft's (MSFT) African Data Center Struggles with Payment Requests, Bloomberg News Reports (Insider Monkey, May 16)

Microsoft Corporation (NASDAQ:MSFT) is one of the 9 Most Profitable Tech Stocks to Buy Right Now. On May 10, Reuters, citing Bloomberg News, reported ...

Source: <https://finance.yahoo.com/sectors/technology/articles/microsoft-msft-african-dat>

■ 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.

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: 57.1% (8 wins, 6 losses)
- Profit Factor: 2.72x (Avg Win 17.8% vs Avg Loss -6.5%)
- Current Confluence: 0 (Last: 5 on Mar 30) - No setup - awaiting signal
- Volatility (ATR 14): \$11.06 (2.6% of price) - Stop loss typically 2-3x ATR

Market Risk:

- Beta: 1.09 - Market-like 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	\$411.76	Short-term trend
EMA 50	\$409.06	Medium-term trend
EMA 200	\$438.18	Long-term trend
Relative Strength	57.9	Neutral range
MACD	3.38	Bullish
MACD Signal	4.69	Signal line
MACD Histogram	-1.31	Bearish
Volatility (ATR 14)	\$11.06	2.6% of price
Trend Strength (ADX)	16.2	Weak/No trend (<20)
+DI	34.5	Positive directional movement
-DI	25.1	Negative directional movement
Stochastic %K	44.4	Neutral
Stochastic %D	35.2	Neutral
Bollinger Upper	\$432.73	Resistance zone
Bollinger Middle	\$417.41	Moving average
Bollinger Lower	\$402.08	Support zone
VWAP	\$421.00	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$3134.2B	Total market value
Valuation	Enterprise Value	\$3181.4B	Total company value
Valuation	Forward P/E	21.8x	Price to forward earnings
Valuation	Trailing P/E	25.1x	Price to trailing earnings
Valuation	PEG Ratio	1.26	P/E relative to growth
Valuation	Price/Sales	9.85x	Market cap to revenue
Valuation	Price/Book	7.56x	Price to book value
Valuation	EV/Revenue	10.00x	Enterprise value to revenue
Valuation	EV/EBITDA	17.2x	Enterprise value to EBITDA
Performance	Revenue (TTM)	\$318.3B	Trailing 12-month revenue
Performance	Revenue Growth	+18.3%	Year-over-year growth
Performance	Earnings Growth	+23.4%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+15.4%	Forward EPS growth estimate
Performance	Gross Profit	\$217.4B	Revenue minus COGS
Performance	Operating Income	\$170.1B	EBIT
Performance	Net Income	\$125.2B	Bottom line profit
Performance	Free Cash Flow	\$37.0B	Cash after capex
Performance	Operating Cash Flow	\$170.1B	Cash from operations
Profitability	Gross Margin	68.3%	Gross profit margin
Profitability	Operating Margin	46.3%	Operating efficiency
Profitability	Profit Margin	39.3%	Net margin
Profitability	ROE	34.0%	Return on equity
Profitability	ROA	14.8%	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	\$125.4B	Total debt outstanding
Balance Sheet	Cash & Equivalents	\$78.2B	Liquid assets
Balance Sheet	Book Value/Share	\$55.78	Net worth per share
Balance Sheet	Current Ratio	1.28	Current assets/liabilities
Balance Sheet	Quick Ratio	1.14	Liquid assets/liabilities
Balance Sheet	Debt/Equity	0.30	Leverage ratio
Market	Beta	1.09	Market correlation
Market	52-Week High	\$555.45	Annual high
Market	52-Week Low	\$356.28	Annual low

Market	Avg Volume	34.1M	Average daily volume
Market	Shares Outstanding	7.4B	Total shares
Market	Float	7.4B	Tradeable shares
Market	Short Interest	1.1%	Shares sold short
Market	Institutional Own.	75.7%	Institution held
Analysts	Coverage Count	54	Number of analysts
Analysts	Average Rating	1.3	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	54/3/0	Rating distribution
Analysts	Target Price	\$561.56	Average price target
Analysts	Target High	\$870.00	Highest target
Analysts	Target Low	\$400.00	Lowest target
Other	Next Earnings	Jul 29, 2026	Earnings report date
Other	Dividend Yield	0.86%	Annual dividend rate
Other	Ex-Dividend Date	1779321600	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 \$
2019-03-15	2020-03-12	GOLDEN_CROSS	\$115.91	\$139.06	+20.0%	+\$1389
2020-04-15	2020-11-03	GOLDEN_CROSS	\$171.88	\$206.43	+20.1%	+\$484
2020-11-04	2022-01-12	GOLDEN_CROSS	\$216.39	\$318.27	+47.1%	+\$1936
2022-03-08	2022-04-11	CONFLUENCE	\$275.85	\$285.26	+3.4%	+\$132
2022-04-26	2022-06-15	CONFLUENCE	\$270.22	\$251.76	-6.8%	-\$295
2023-04-26	2023-06-16	CONFLUENCE	\$295.37	\$342.33	+15.9%	+\$845
2023-07-18	2023-07-31	CONFLUENCE	\$359.49	\$335.92	-6.6%	-\$424
2023-09-11	2023-09-25	GOLDEN_CROSS	\$337.94	\$317.54	-6.0%	-\$469
2023-10-23	2024-04-30	CONFLUENCE	\$329.32	\$389.33	+18.2%	+\$1200
2024-05-31	2024-08-01	CONFLUENCE	\$415.13	\$417.11	+0.5%	+\$38
2024-09-20	2024-10-07	GOLDEN_CROSS	\$435.27	\$409.54	-5.9%	-\$463
2024-10-30	2024-10-31	CONFLUENCE	\$432.53	\$406.35	-6.0%	-\$524
2025-01-22	2025-02-03	CONFLUENCE	\$446.20	\$410.92	-7.9%	-\$529
2025-04-07	2026-04-16	CONFLUENCE	\$357.86	\$420.26	+17.4%	+\$749
2026-04-27	OPEN	GOLDEN_CROSS	\$424.82	OPEN	-0.7%	-\$46

IMPORTANT DISCLAIMER

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Next Earnings: Jul 29, 2026

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