

Portfolio Risk Analysis Report

Report Date: February 24, 2026

Portfolio Size: 25 Assets

Analysis Period: 12 Months

Generated by: Automated Risk Analysis Pipeline

Risk Assessment Summary

HIGH RISK (RED): 11 Assets

MEDIUM RISK (YELLOW): 0 Assets

LOW RISK (GREEN): 14 Assets

Executive Summary

This report presents a comprehensive risk analysis of a portfolio containing 25 assets with a combined market capitalization of \$15225.3 billion. **Key Findings:** • 11 assets (44.0%) are rated as HIGH RISK (RED) • 0 assets (0.0%) are rated as MEDIUM RISK (YELLOW) • Average portfolio volatility: 32.5% • Maximum drawdown observed: -58.3% **Risk Concentration:** The analysis reveals significant risk concentration in 11 assets requiring immediate attention and potential portfolio rebalancing. **Sentiment Analysis:** • 0 RED-flagged assets show negative market sentiment • Average sentiment score for flagged assets: 0.081 • News coverage indicates heightened market concern for these positions

Portfolio Overview

Sector Allocation

Sector	Assets	Market Cap (\$B)	Percentage
Technology	5	5751.26	37.8%
Consumer Cyclical	4	2752.63	18.1%
Communication Services	2	1946.36	12.8%
Healthcare	4	1607.87	10.6%
Consumer Defensive	2	1399.79	9.2%
Industrials	5	1266.98	8.3%
Energy	1	370.22	2.4%
Real Estate	1	89.31	0.6%
Financial Services	1	40.88	0.3%

Risk Analysis Results

Risk Distribution:

- HIGH RISK (RED): 11 assets
- MEDIUM RISK (YELLOW): 0 assets
- LOW RISK (GREEN): 14 assets

High Risk Assets

Symbol	Sector	Risk Rating	Volatility	Max Drawdown	Risk Score
ORCL	Technology	RED	74.0%	-58.3%	6
PYPL	Financial Services	RED	43.3%	-48.5%	6
ADBE	Technology	RED	30.7%	-32.9%	4
CRM	Technology	RED	36.0%	-33.1%	4
UNH	Healthcare	RED	40.6%	-26.9%	4
TMO	Healthcare	RED	26.8%	-21.6%	3

NFLX	Communication Services	RED	30.6%	-39.9%	3
AMZN	Consumer Cyclical	RED	31.5%	-21.7%	2
AMD	Technology	RED	68.7%	-27.2%	2
META	Communication Services	RED	33.4%	-24.4%	2
BA	Industrials	RED	29.9%	-24.5%	1

Machine Learning Analysis

Advanced machine learning techniques were applied to identify anomalies and predict future risk ratings. **Anomaly Detection Summary:**

- Total Anomalies Detected: 4

- Critical Anomalies: 3

- High Risk Anomalies: 3

- Anomaly Rate: 16.0%

Risk Prediction Model:

- Model Accuracy: 87.5%

- Rating Changes Predicted: 1

- Assets Predicted to Deteriorate: 1

- Assets Predicted to Improve: 0

Key Machine Learning Insights

- 3 assets show critical anomalous behavior requiring immediate review

- 1 assets predicted to deteriorate in risk rating

- Anomaly detection identified 4 assets with unusual patterns

- Key risk drivers: Max Drawdown, Price Change 1M, Price Change 3M

Critical Anomalies Detected

Symbol	Sector	Anomaly Score	Severity	Recommendation
PYPL	Financial Services	100.0	CRITICAL	Critical anomaly - Consider immediate po...
ORCL	Technology	91.2	CRITICAL	Critical anomaly - Consider immediate po...
CAT	Industrials	83.3	CRITICAL	Critical anomaly - Consider immediate po...
AMD	Technology	68.0	HIGH	Significant anomaly - Conduct thorough d...
NFLX	Communication Services	63.5	HIGH	Normal behavior pattern - Continue monit...
ADBE	Technology	61.2	HIGH	Normal behavior pattern - Continue monit...

Predicted Risk Rating Changes

Symbol	Current Rating	Predicted Rating	Confidence	Trend
ISRG	GREEN	RED	53.0%	DETERIORATING

Top Risk Factors (Feature Importance)

1. Max Drawdown: 38.6% importance
2. Price Change 1M: 18.8% importance
3. Price Change 3M: 15.3% importance
4. Sharpe Ratio: 15.2% importance
5. Volatility: 6.4% importance

ML Validation Results

Overall Validation Status: **WARNING**

Checks Passed: 3 / 4

✓ **Anomaly Detection Validation:** PASS

total_assets: 25, anomalies_detected: 4, anomaly_rate: 16.0

✓ **Risk Prediction Validation:** PASS

model_accuracy: 87.5, predictions_made: 25, rating_changes: 1

■ **Feature Quality Validation:** WARNING

features_checked: 9, nan_features: 0, total_samples: 25

✓ **Feature Importance Validation:** PASS

total_importance: 100.0, top_feature: Max Drawdown, top_importance: 38.6

Validation Warnings (1):

1. Feature 'price_change_6m' has very low variance (0.000000)

Sentiment Analysis

Sentiment analysis was conducted on 11 RED-flagged assets using financial news from the past 12 months. **Key Findings:**

- Average sentiment score: 0.081
- Assets with negative sentiment: 0/11
- Total news articles analyzed: 96

Sentiment Analysis Results

Symbol	Sentiment Score	Label	News Count	Trend	Key Themes
TMO	-0.111	NEUTRAL	5	IMPROVING	earnings, growth
PYPL	0.006	NEUTRAL	10	STABLE	management, market_share
BA	0.018	NEUTRAL	10	DETERIORATING	earnings, technology, macro
NFLX	0.044	NEUTRAL	10	STABLE	earnings
AMZN	0.085	NEUTRAL	10	STABLE	earnings, technology, growth
UNH	0.086	NEUTRAL	4	IMPROVING	earnings
ORCL	0.096	NEUTRAL	10	STABLE	technology, earnings, regulatory
CRM	0.127	NEUTRAL	10	IMPROVING	technology, earnings, operations
META	0.165	NEUTRAL	10	IMPROVING	technology, growth, earnings
AMD	0.170	NEUTRAL	10	IMPROVING	technology, growth, earnings

ADBE	0.202	NEUTRAL	7	DETERIORATING	technology, macro, earnings
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Detailed Asset Analysis

Asset: ORCL

Sector: Technology

Current Price: \$144.81

Market Cap: \$416.20B

Risk Rating: RED

Risk Metrics:

- Volatility: 74.0%
- Maximum Drawdown: -58.3%
- Beta: 0.33
- Sharpe Ratio: -1.09
- RSI: 43.5

Performance:

- 1-Month Return: -20.6%
- 3-Month Return: -27.0%
- 6-Month Return: 0.0%

Risk Flags:

- High Volatility, Extreme Drawdown, Severe Decline, Extended Decline, Poor Risk Return, Momentum Breakdown

Market Sentiment:

- Sentiment Score: 0.096 (NEUTRAL)
- News Articles: 10
- Trend: STABLE

Asset: PYPL

Sector: Financial Services

Current Price: \$43.69

Market Cap: \$40.88B

Risk Rating: RED

Risk Metrics:

- Volatility: 43.3%
- Maximum Drawdown: -48.5%
- Beta: 0.02
- Sharpe Ratio: -2.05
- RSI: 58.8

Performance:

- 1-Month Return: -22.8%
- 3-Month Return: -27.9%
- 6-Month Return: 0.0%

Risk Flags:

- High Volatility, Extreme Drawdown, Severe Decline, Extended Decline, Poor Risk Return, Momentum Breakdown

Market Sentiment:

- Sentiment Score: 0.006 (NEUTRAL)
- News Articles: 10
- Trend: STABLE

Asset: ADBE

Sector: Technology
Current Price: \$255.36
Market Cap: \$106.89B
Risk Rating: RED
Risk Metrics:

- Volatility: 30.7%
- Maximum Drawdown: -32.9%
- Beta: -0.46
- Sharpe Ratio: -2.10
- RSI: 37.9

Performance:

- 1-Month Return: -16.2%
- 3-Month Return: -21.2%
- 6-Month Return: 0.0%

Risk Flags:

- Extreme Drawdown, Severe Decline, Poor Risk Return, Momentum Breakdown

Market Sentiment:

- Sentiment Score: 0.202 (NEUTRAL)
- News Articles: 7
- Trend: DETERIORATING

Asset: CRM

Sector: Technology
Current Price: \$185.37
Market Cap: \$176.47B
Risk Rating: RED
Risk Metrics:

- Volatility: 36.0%
- Maximum Drawdown: -33.1%
- Beta: 0.06
- Sharpe Ratio: -1.67
- RSI: 40.2

Performance:

- 1-Month Return: -19.2%
- 3-Month Return: -18.2%
- 6-Month Return: 0.0%

Risk Flags:

- Extreme Drawdown, Severe Decline, Poor Risk Return, Momentum Breakdown

Market Sentiment:

- Sentiment Score: 0.127 (NEUTRAL)
- News Articles: 10
- Trend: IMPROVING

Asset: UNH

Sector: Healthcare
Current Price: \$274.11
Market Cap: \$248.29B
Risk Rating: RED
Risk Metrics:

- Volatility: 40.6%
- Maximum Drawdown: -26.9%
- Beta: -0.16
- Sharpe Ratio: -0.26
- RSI: 42.8

Performance:

- 1-Month Return: -22.0%

- 3-Month Return: -13.8%
- 6-Month Return: 0.0%

Risk Flags:

- High Volatility, Extreme Drawdown, Severe Decline, Momentum Breakdown

Market Sentiment:

- Sentiment Score: 0.086 (NEUTRAL)
- News Articles: 4
- Trend: IMPROVING

Recommendations

Based on the comprehensive risk analysis, the following recommendations are provided:

Immediate Actions (RED-flagged assets):

1. Consider reducing position sizes for 11 high-risk assets
2. Implement stop-loss orders to limit further downside exposure
3. Review fundamental analysis for potential divestiture candidates
4. Monitor daily price movements and news flow closely

Medium-term Actions (YELLOW-flagged assets):

1. Conduct deeper due diligence on 0 medium-risk assets
2. Consider hedging strategies for positions with high volatility
3. Review correlation with overall portfolio risk
4. Set up enhanced monitoring and alerts

Portfolio-level Recommendations:

1. Diversify across sectors to reduce concentration risk
2. Consider alternative investments to reduce correlation
3. Implement systematic risk management framework
4. Schedule monthly portfolio risk reviews

Sentiment-based Actions:

1. Monitor news flow for 0 assets with negative sentiment
2. Consider contrarian opportunities if fundamentals remain strong
3. Assess impact of market sentiment on price movements
4. Review analyst coverage and institutional positioning

Appendix

Methodology

This risk analysis employs a four-stage pipeline methodology:

- Stage 1 - Data Ingestion:** • Historical price data (252 trading days) • Trading volume information • Market capitalization data • Sector classifications
- Stage 2 - Core Analysis:** • Volatility calculation (annualized) • Maximum drawdown analysis • Beta coefficient estimation • Risk-adjusted return metrics (Sharpe ratio) • Technical indicators (RSI) • Rule-based risk flagging system
- Stage 3 - Sentiment Analysis:** • News article collection (12-month lookback) • Natural language processing for sentiment scoring • Trend analysis and confidence metrics • Key theme extraction
- Stage 4 - Report Generation:** • Comprehensive risk assessment compilation • Visual data presentation • Actionable recommendations • Professional PDF report output

Risk Assessment Thresholds

RED Flag Thresholds: • Volatility > 40% (annualized) • Maximum drawdown < -20% • Volume decline > 50% • 1-month price decline > 15% **YELLOW Flag Thresholds:** • Volatility > 25% (annualized) • Maximum drawdown < -10% • Volume decline > 30% • Multiple warning indicators present **Sentiment Thresholds:** • Negative sentiment: Score < -0.3 • Positive sentiment: Score > 0.3 • Neutral sentiment: $-0.3 \leq \text{Score} \leq 0.3$

Report Generation Details:

- Generated: 2026-02-24 17:48:00
- Analysis Period: 12 months
- Total Assets Analyzed: 25
- Pipeline Version: 1.0

Test Data - Portfolio Details

Complete portfolio and risk analysis data has been exported to CSV files for further analysis:

Portfolio Data CSV: portfolio_data_20260224_174800.csv

Risk Analysis CSV: risk_analysis_20260224_174800.csv

The tables below provide summary information for quick reference.

Performance Metrics Data

Symbol	1M Return	3M Return	6M Return	Vol Decline	Sharpe Ratio
ADBE	-16.2%	-21.2%	0.0%	21.5%	-2.10
AMD	-14.4%	5.5%	0.0%	15.2%	1.04
AMT	6.3%	7.3%	0.0%	-1.4%	-0.35
AMZN	-12.1%	-5.0%	0.0%	36.7%	-0.56
BA	-6.1%	29.9%	0.0%	-10.4%	-0.00
CAT	20.9%	40.0%	0.0%	23.8%	3.52
CRM	-19.2%	-18.2%	0.0%	35.3%	-1.67
CVX	11.6%	24.7%	0.0%	8.9%	1.70
GE	15.8%	19.0%	0.0%	4.1%	1.66
ISRG	-6.7%	-12.1%	0.0%	12.2%	0.35
LLY	-1.0%	-0.8%	0.0%	14.0%	2.23
LOW	0.6%	19.8%	0.0%	-3.1%	0.85
MCD	6.3%	8.1%	0.0%	5.7%	0.93
META	-4.8%	7.7%	0.0%	7.0%	-0.87
NFLX	-9.7%	-25.8%	0.0%	-10.5%	-3.05
NVDA	3.6%	7.9%	0.0%	1.9%	0.53
ORCL	-20.6%	-27.0%	0.0%	8.9%	-1.09
PG	10.6%	10.3%	0.0%	0.8%	0.86
PYPL	-22.8%	-27.9%	0.0%	60.4%	-2.05
RTX	2.3%	17.0%	0.0%	22.7%	1.91
SBUX	-0.2%	12.6%	0.0%	1.1%	0.76
TMO	-17.7%	-12.1%	0.0%	19.5%	0.47
UNH	-22.0%	-13.8%	0.0%	47.7%	-0.26
UPS	9.4%	23.6%	0.0%	18.2%	2.61
WMT	8.0%	20.9%	0.0%	-11.9%	2.50

Risk Flags Details

Symbol	High Vol	Ext. DD	Vol Collapse	Severe Dec	Ext. Dec	Poor Sharpe	Mom. Break

ORCL	✓	✓	✗	✓	✓	✓	✓
PYPL	✓	✓	✗	✓	✓	✓	✓
ADBE	✗	✓	✗	✓	✗	✓	✓
CRM	✗	✓	✗	✓	✗	✓	✓
UNH	✓	✓	✗	✓	✗	✗	✓
TMO	✗	✓	✗	✓	✗	✗	✓
NFLX	✗	✓	✗	✗	✓	✓	✗
AMZN	✗	✓	✗	✗	✗	✓	✗
AMD	✓	✓	✗	✗	✗	✗	✗
META	✗	✓	✗	✗	✗	✓	✗
BA	✗	✓	✗	✗	✗	✗	✗
NVDA	✗	✗	✗	✗	✗	✗	✗
MCD	✗	✗	✗	✗	✗	✗	✗
PG	✗	✗	✗	✗	✗	✗	✗
LLY	✗	✗	✗	✗	✗	✗	✗
RTX	✗	✗	✗	✗	✗	✗	✗
CAT	✗	✗	✗	✗	✗	✗	✗
WMT	✗	✗	✗	✗	✗	✗	✗
CVX	✗	✗	✗	✗	✗	✗	✗
AMT	✗	✗	✗	✗	✗	✗	✗
UPS	✗	✗	✗	✗	✗	✗	✗
ISRG	✗	✗	✗	✗	✗	✗	✗
SBUX	✗	✗	✗	✗	✗	✗	✗
LOW	✗	✗	✗	✗	✗	✗	✗
GE	✗	✗	✗	✗	✗	✗	✗

Data Summary:

- Total Assets: 25
- Data Generated: 2026-02-24 17:48:00
- Note: This test data is provided for further analysis, validation, and detailed review purposes.
- All metrics are calculated from 252 trading days of historical data.