



Edition – 6th

Date – June 2025

Portfolio – Value Stocks

Johnson & Johnson - [JNJ]

JNJ Johnson & Johnson NYSE © StockCharts.com
30-May-2025 Open 152.52 High 155.71 Low 151.56 Close 155.21 Volume 37.7M Chg +3.57 (+2.35%) ▲



JNJ Stock Breakdown

Dividend Yield*	3.20%
Sector	Health Care
Industry	Pharmaceuticals
EWM Initial Buy	5/8/2025
Closing Price on 5/8/2025	\$154.34
EWM Price Target	\$195

*As of 6/2/2025

J&J's Synopsis

Economic Influence

Tariffs may negatively impact JNJ's Medtech segment; however, the company's diverse business portfolio could provide growth even in an uncertain economic environment.

Fundamental Factors

The company's current ratio sits well above 1.0. This represents their ability to use assets on hand to pay off their short-term debt which historically signifies a strong balance sheet.

Technical Support

The chart above displays JNJ in a long-term price consolidation since 2023. This pattern could lead to a breakout above \$165 which may continue to our price target of \$195.



Industry Indicators

JNJ has been a leader of merger & acquisition activity within the pharmaceutical industry and as a result has positioned themselves for continued growth.

Did you know?

- The Johnson & Johnson cursive logo was derived from one of the founder's signatures.
- They have increased their dividend every year for the last 63 years.
- J&J created the first disposable soft contact lens.

Company Profile

- The company was founded in 1887.
- Headquartered in New Brunswick, New Jersey.
- J&J is a global leader in the pharmaceutical and medical device industries.

See page 2 to read the FULL STORY

Johnson & Johnson – Full Story

With tariff uncertainty still being the number one factor in investors' minds, we have begun to build up a “defensive” posture in our stock portfolios. Defensive refers to the sector and price volatility of an individual stock. Sectors such as health care, utilities & consumer staples tend to hold up better during periods of market uncertainty and even recessions. After holding JNJ from the beginning of 2025 through April, we took our gains in the stock and shifted into other areas of the market that were hit harder by the tariff news. Those stocks recovered while JNJ moved lower so we saw the opportunity to make the switch back into JNJ at a lower price in early May.

JNJ has continued to expand its portfolio by acquiring companies with the goal of stimulating growth across several segments of the business. With a price-to-cash flow ratio of 11, the company's stock price may be undervalued by investors as JNJ continues to grow sales and put cash to work in the form of mergers & acquisitions. As investors begin to see the value of these deals actualized, JNJ could begin to see their stock move higher over the next 12-24 months.

Our main objective in the **Value Stock** portfolio is to build positions in companies that we believe have technical and fundamental strength. The combination of these two factors has helped EWM navigate this volatility and reposition portfolios for potential growth over the next 12-24 months. JNJ has been in a rectangular price consolidation (blue box) since the middle of 2021. These price patterns are recognizable by key **resistance** and **support** levels and paint us a picture of share accumulation. Eventually the price pattern will break (our analysis suggests to the upside) and the price target is simply the vertical distance of the blue box stacked on top of the breakout price (\$165 or the top of the pattern). Currently, JNJ is trading around its moving average lines (**green, yellow, and blue**) which indicates support and the potential for a short-term move higher.



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