



Adobe Inc / ADBE

Equity | Generated Oct 12, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$238.14	-4.13 -1.70%	-/-	\$242.27

Market	NYSE
Industry	Technology
Market data as of	Oct 12, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 12, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
50.0 / 100	Balanced	high	33 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$233.50	\$245.00	\$226.50	59 / 100

Options stance	bearish
Tail-risk safety	32 / 100
JW Rank data coverage / as of	100.0% Oct 12, 2026 7:50 PM EDT

Key insight

Adobe Downgraded, Market Cautious After Wells Fargo's Negative Call

Market read

The market is reacting negatively to a double downgrade of Adobe (ADBE) by Wells Fargo. The firm cited concerns about growth cracks, competitive threats from AI tools, and a potential slowdown in subscriber growth. While Adobe beat earnings expectations in Q3, the negative sentiment surrounding the downgrade has pushed the stock price lower. Technical indicators are mixed-to-bearish, with the stock trading below key moving averages and support levels.

Strategy context

The Wells Fargo downgrade adds to existing concerns about Adobe's future growth prospects in the face of increasing competition from AI-powered tools.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bearish

AI analysis updated

Oct 12, 2026 2:22 PM EDT

Short-term scenario

Cautious tactical bounce only; do not chase the current print. Prefer a retest of today's support. Conviction is low for a 1-3 week long because the Wells Fargo Underweight call and \$225 target are a fresh negative catalyst. If support fails, stand aside.

Three-month outlook

Base case is range-bound to modestly higher, with a plausible path toward the mid-\$250s if Q4 tracks the \$6.80-\$6.85B revenue and \$6.30-\$6.35 non-GAAP EPS guide and the AI-monetization debate stabilizes. A roughly 9-10x forward non-GAAP multiple, high margins, and buybacks limit how far a healthy fundamental outcome should reprice, but consensus targets in the mid-\$260s to high-\$270s are more of a 12-month idea than a reliable three-month path, especially with the Dec 1 CEO handoff and earnings not until around Dec 9. Downside toward \$210-\$225 is material if the Q4 net-new ARR ramp misses or AI budget-share fears broaden. Uncertainty is high: the market has not resolved whether generative AI is mainly a feature inside Adobe's suite or a structural threat to Creative Cloud pricing power, and one downgrade does not settle that.

Market sentiment

Near-term X tone is cautious to negative and centered on the Wells Fargo double downgrade. Traders flagged the sell call and opening-bell commentary on competitive threats; at least one short-dated put position was closed for a gain as the stock fell about 2%. A minority treated the downgrade as a contrarian buy. Longer-running posts still split between valuation bulls, who argue professional creative tools are hard to replace and the multiple is historically cheap, and bears worried that free AI tools could slow future subscriber growth. Uncertainty: the visible sample is small, low-engagement, and not a reliable poll of institutional sentiment.

Supporting evidence

Wells Fargo downgraded ADBE to Underweight from Equal Weight, citing concerns about growth cracks, competitive threats from AI tools, and a potential slowdown in subscriber growth. | The stock price fell approximately 2% following the downgrade announcement. | Technical indicators are mixed-to-bearish, with the stock trading below key moving averages and support levels.

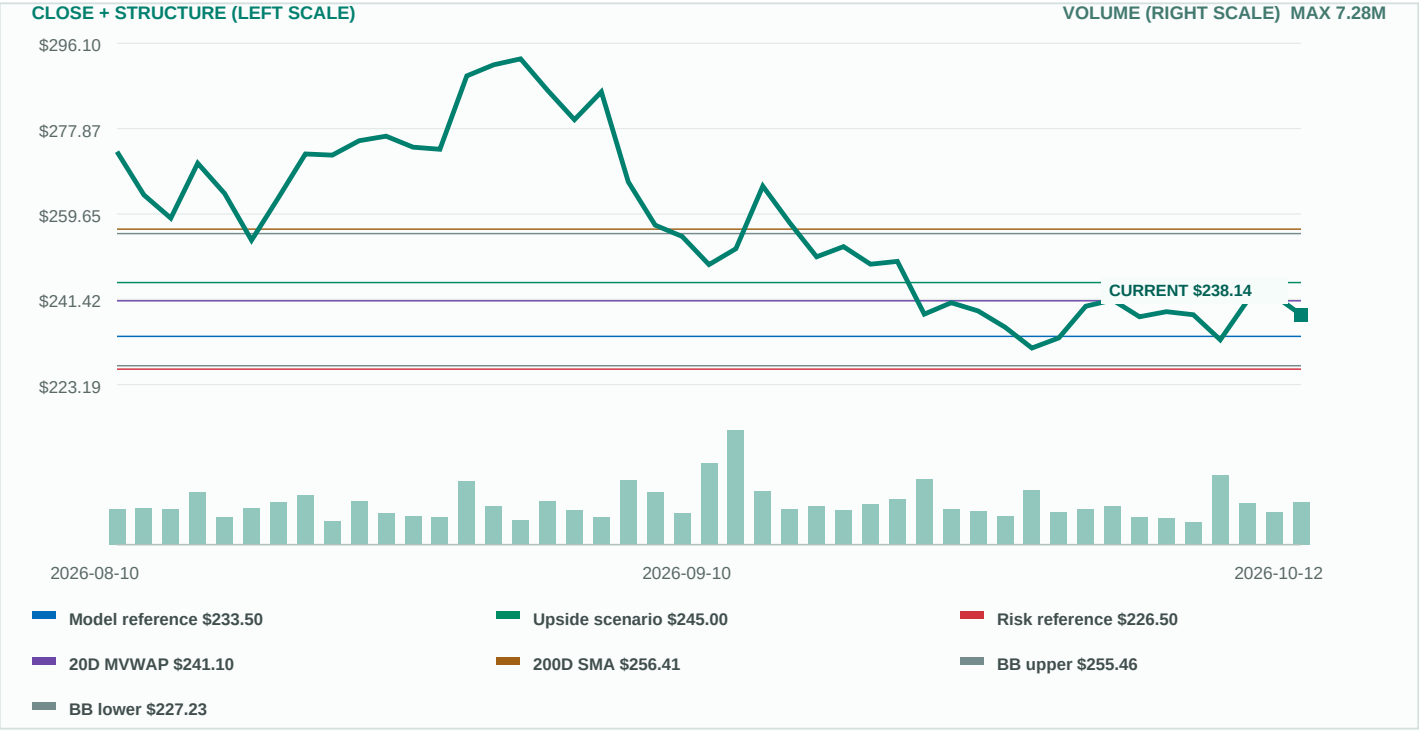
Risk watch

Potential for further downside if Q4 net-new ARR ramp misses or AI budget-share fears broaden.



Enhanced price structure

45 trading days with volume, model levels and current technical reference bands

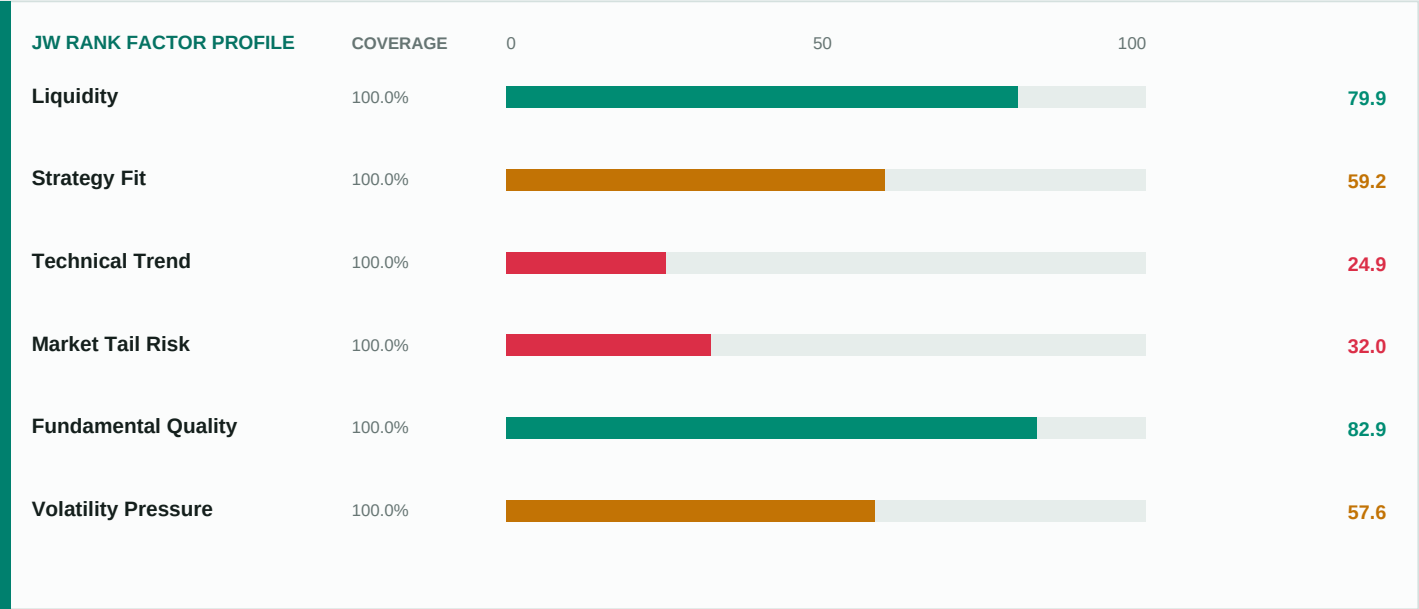


45 complete trading-session observations



JW Rank factors

Score, source coverage and interpretation for each decision factor



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

bearish_warning

Institutional flow

Below MVWAP

Structure

Below 200D trend

Volatility

medium



Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	BEARISH WARNING neutral MACD accelerating
Trend signal	BEARISH WARNING
RSI signal	neutral
RSI (7 / 14 / 21)	45.36 / 43.69 / 45.07
RSI velocity	1.90
MACD line / signal / histogram	-5.25 / - / -5.97
MACD acceleration	0.50
Stochastic K / D	56.47 / 48.23

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-1.14
20-day MVWAP	\$241.10
Price vs 20-day MVWAP	-1.23%
Daily reference VWAP	\$237.82
Price vs daily reference	+0.13%
Volume	2.67M

Structural context

Long-term trend and volatility boundaries

Current read	Below 200-day trend Negative macro velocity
Macro velocity	-0.75
20-day / 200-day SMA	\$241.35 / \$256.41
Bollinger range	\$227.23 - \$255.46
Bollinger position	0.386



Options and volatility intelligence

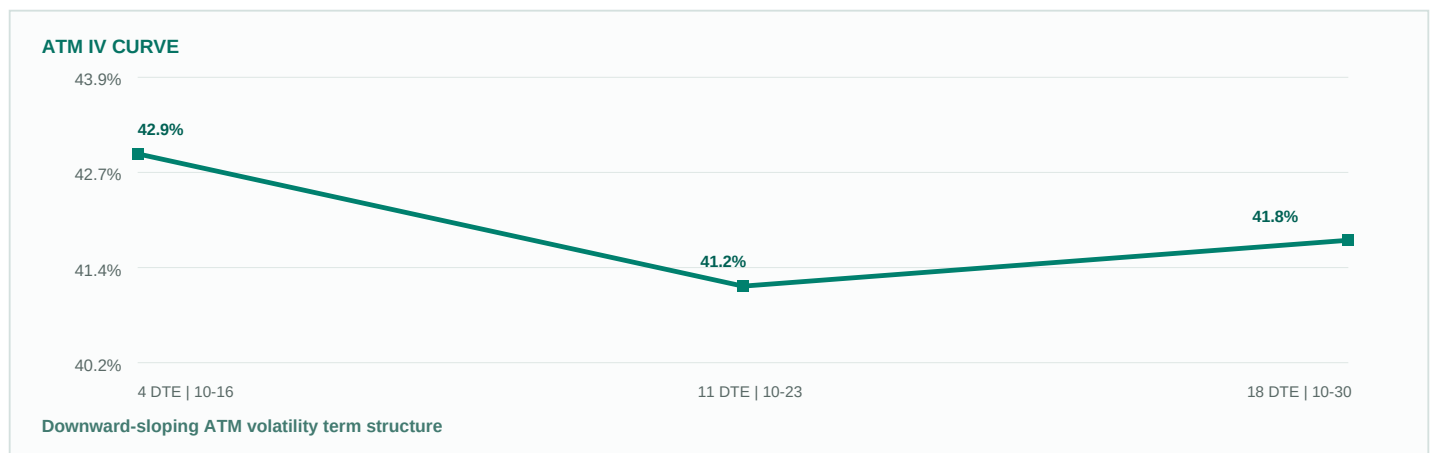
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
42 / 100	35 / 100	86.99	154.34

Market regime	DANGER ZONE
Tail-risk regime	NORMAL TAIL RISK
Term structure	flat
Term slope	-1.13 pts
Skew read	balanced
Liquidity / quote coverage	100.0%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 12, 2026 2:48 PM EDT
Options data quality	Coverage 88.9%

Option term structure

ATM implied-volatility curve by days to expiration



EXPIRATION	DTE	ATM IV	STATE
2026-10-16	4	42.9%	-
2026-10-23	11	41.2%	-
2026-10-30	18	41.8%	-

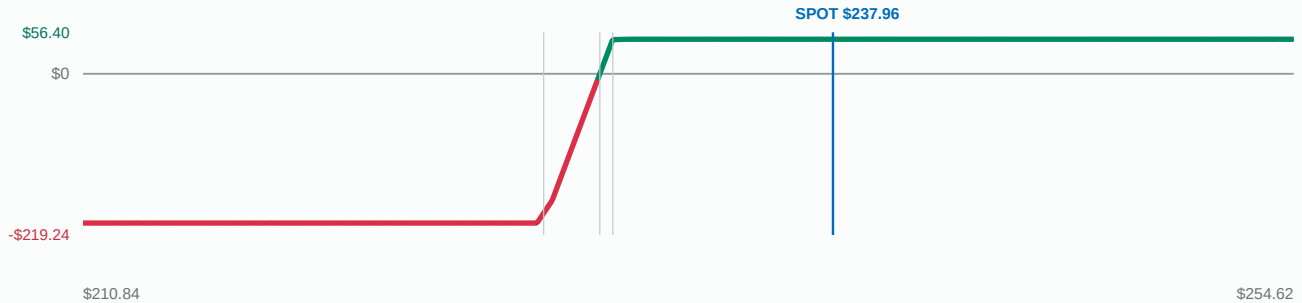


Reference spread payoff

Illustrative expiry profit/loss per one-lot structure, including quoted net credit

Bull Put Spread reference

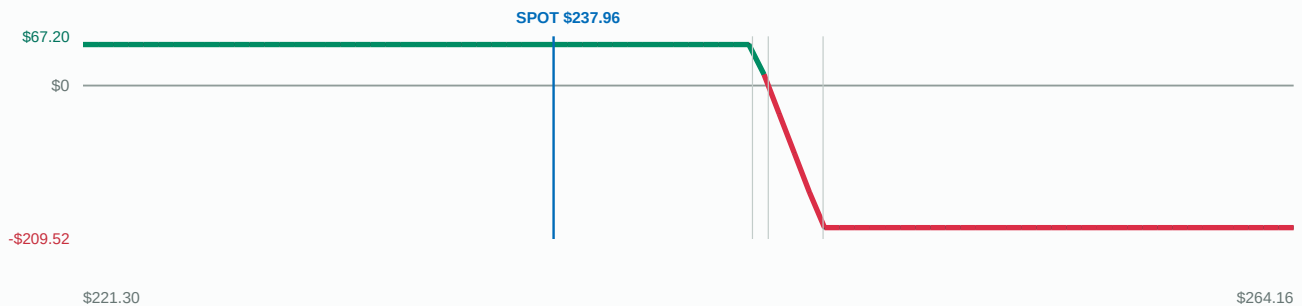
Short \$230.00 | Long \$227.50 | Width \$2.50 | Net credit \$0.47



Max profit \$47.00 | Max loss -\$203.00 | Break-even \$229.53 | Per contract at expiry

Bear Call Spread reference

Short \$245.00 | Long \$247.50 | Width \$2.50 | Net credit \$0.56



Max profit \$56.00 | Max loss -\$194.00 | Break-even \$245.56 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	2026-12-09
Earnings IV-crush risk	NOT MEASURED
VIX	15.25
VVIX	86.99
SKEW index	154.34
Observation confidence	high
Option quote quality	reliable
Contracts observed	140



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	140

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The market is reacting negatively to a double downgrade of Adobe (ADBE) by Wells Fargo. The firm cited concerns about growth cracks, competitive threats from AI tools, and a potential slowdown in subscriber growth. While Adobe beat earnings expectations in Q3, the negative sentiment surrounding the downgrade has pushed the stock price lower. Technical indicators are mixed-to-bearish, with the stock trading below key moving averages and support levels.

Options context

Adobe Downgraded, Market Cautious After Wells Fargo's Negative Call

Wheel context

The Wells Fargo downgrade adds to existing concerns about Adobe's future growth prospects in the face of increasing competition from AI-powered tools.

Observed evidence

Wells Fargo downgraded ADBE to Underweight from Equal Weight, citing concerns about growth cracks, competitive threats from AI tools, and a potential slowdown in subscriber growth. | The stock price fell approximately 2% following the downgrade announcement. | Technical indicators are mixed-to-bearish, with the stock trading below key moving averages and support levels.

Principal risks to monitor

Potential for further downside if Q4 net-new ARR ramp misses or AI budget-share fears broaden.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$94.29B	12.95
ROE	Revenue growth
62.9%	10.5%
EPS growth	Operating margin
18.3%	35.7%
Net profit margin	Gross margin
28.1%	-
Free cash flow CAGR	Debt / equity
13.2%	0.53
Dividend yield	Beta
-	1.42
52-week range	
\$190.12 - \$363.70	

Company or fund profile

Issuer identity and classification

Name	Market
Adobe Inc	NYSE
Industry	Country
Technology	US
Currency	IPO date
USD	1986-08-20
Shares outstanding	52-week return
397.50M	-30.3%
Book value per share	Revenue per share
\$30.09	\$65.75
Website	adobe.com



Latest strategy observation

Most recent shared general market signal available when this report was generated

ADBE Covered Call signal	Oct 12, 2026 9:40 AM EDT
Covered Call 2026-10-16	
At signal \$239.30 Current \$238.14	
SHORT Option \$242.50 B \$3.60 / A \$4.00	
Conservative CR \$3.80	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$8.66
ATR as % of price	3.6%
Volatility environment	medium
Current IV	39.5%
IV rank	42 / 100
IV percentile	33 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 12, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	62 / 100
Trend health	38 / 100
Momentum health	80 / 100
Volatility health	56 / 100
Structure health	89 / 100
Earnings risk / date	low 2026-12-09
Macro risk	unknown
Volatility risk	medium
Structure risk	low

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$241.35 / \$257.63 / \$256.41
EMA (9 / 21)	\$239.14 / \$243.52
Bollinger upper / middle / lower	\$255.46 / \$241.35 / \$227.23



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.386
True high / low	\$242.46 / \$232.85
5-day true high / low	\$245.16 / \$227.00

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.753	-
SMA50	-0.269	-
MVWAP20	-1.144	-
MACD	0.496	-
RSI	1.896	-
Volume	-572411.670	-
ATR	-0.031	-
T1	-	-5.49 / 242.75 / 245.16 / 240.00
T2	-	-6.13 / 243.67 / 241.19 / 231.07
T3	-	-6.74 / 244.53 / 238.12 / 227.00



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$237.96
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 12, 2026 2:48 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-16 4 DTE
Front at-the-money IV	42.9%
25-delta skew	-0.30
Put / Call 25-delta	\$230.00 Delta -0.217 / \$245.00 Delta 0.276
Median option bid/ask spread	14.0%
Bid/ask spread	-
Contracts observed / quoted	140 / 140

Price context

Last Price: 237.96 | Bid: 237.95 | Ask: 238.05 | Previous Close: 242.27 | Change: -4.31 | Daily change: -1.78% | Update Time: 2026-10-12T14:48:49.224762-04:00 | Latest History Date: 2026-10-12 | Latest History Price: 237.96

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-20 | Latest Date: 2026-10-12 | Latest Price: 237.96 | Max Drawdown 60d Percent: -21.10%

Fundamental context

Current Iv Percent: 39.69% | Iv Rank: 42.04 | Iv Percentile: 34.66 | Next Earnings Date: 2026-12-09 | Ex Dividend Date: 2005-03-23



Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

This report is general quantitative research and market commentary. It is not investment, legal, tax or accounting advice; it is not an offer, solicitation, order, recommendation or promise of performance. It does not consider any reader's holdings, objectives, financial circumstances, risk tolerance or suitability.

Model observations - not instructions

JW Rank, strategy fit, model reference, upside scenario and risk reference levels are model observations. They are not entries, price targets, stops, position sizes or instructions to buy, sell, open, close or hold a security or option. A higher score does not imply lower risk or a guaranteed favorable outcome.

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Prices, volumes, fundamentals, options data, news-derived context and model outputs reflect the timestamps shown and may be delayed, incomplete, revised or inaccurate. AI-generated explanations can omit context or produce errors. Models can fail when volatility, liquidity, correlations or market regimes change.

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Options risk

Options are complex and are not suitable for all investors. They may involve total or substantial loss, assignment, early exercise, margin calls, liquidity and spread risk, volatility and Greek exposure, event risk, regime shifts and expiration risk. Multi-leg positions may not execute or close at modeled prices.

Investor responsibility and ODD

Use current market information, assess suitability independently and consult qualified professionals when appropriate. Before trading listed options, read Characteristics and Risks of Standardized Options (ODD) available from the Options Clearing Corporation at theocc.com.

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Reference documents

Official product terms and standardized options disclosure

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