



## Northern Trust Bull Sticks with Position

**Ticker/Price:** NTRS (\$109.50)

### Analysis:

**Northern Trust (NTRS)** unusual activity today with 1000 July \$97.50 calls opening for over \$1.4M as January \$90 calls are adjusting. NTRS shares are working out of a strong daily bull flag and back near its 2018 highs. The \$23.25B financial company trades 15.5X Earnings, 29X FCF and 2.35X Book with a 2.57% dividend yield and screens favorably to peers like State Street (STT) and Bank of NY (BK). NTRS earnings income from its Wealth Management and Corporate & Institutional Services segments, the latter 59% and the former 41% of total revenues while the Income split is 52%/48% respectively. NTRS has a strong 16.2% ROE and better margins and fee growth metrics to peers. Analysts have an average target of \$106 on shares and short interest is negligible. NTRS will be presenting at the Goldman Financial Services Conference tomorrow and coming off a quarter where it beat estimates nicely. UBS downgraded shares in September citing valuation that is already priced for a high quality franchise. Hedge Fund ownership fell 5.95% in Q3 filings, Barrow Hanley a top holder adding to its position and Fiduciary Mgmt. taking a new concentrated stake.

### Hawk Vision:



**Hawk's Perspective:** NTRS is definitely a best of breed name and worthy of owning though extended near-term without any clear catalysts, one to target on dips.

**Confidence Ranking:** \$\$