



Blackstone Bulls Willing to Own Shares Back Near Recent Lows

Ticker/Price: BX (\$42.85)

Analysis:

Blackstone (BX) seeing a lot of options activity with week with put sales popular, the May \$30 puts sold 7000X to open, the January \$37 puts 2500X, and April 3rd (W) \$30 puts 6000X. BX has also seeing buyers of September \$45 and \$50 calls, January \$40 and \$47 calls and June \$49 calls. BX shares are -23.5% YTD and bounced off lows this month right at key VPOC of the last ten years as well as trend support since 2009, vital to hold above \$31. Shares have resistance at \$45 and \$52 on a rebound. The \$47.6B alternative investment leader trades 12.3X Earnings, 4.15X Book and yields a 5.7% dividend. BX has remained active on the deal front with an acquisition of a majority stake in HealthEdge, IQ Student Accommodation, a strategic investment in DealPath, in talks to take SOHO China private for \$4B, and among the bidders for a \$17.5B deal for Thyssenkrupp's elevator unit. In 2019 Blackstone grew AUM 21% to a record \$571B and completed its conversion to a corporation from a partnership that is allowing shares to re-rate higher. BX at year-end said to have \$140B in dry powder available and continues to deploy capital across multiple innovative strategies. Analysts have an average target of \$60 with short interest muted at 1.5% of the float and down 57% Q/Q. Citi upgraded shares to Buy with a \$50 target seeing value into the decline as a high quality name. Argus raised its target to \$72 on 2/10 seeing the conversion allowing shares to be in a wider range of indices and a favorable fee environment. Hedge Fund ownership declined 3.4% in Q4 filings, Egerton a top concentrated holder though reduced its position, while Ackman's Pershing Square was buying shares into the recent weakness.

Hawk Vision:



Hawk's Perspective: BX is a favorite Financial and much prefer it to the Banks, but think another leg lower in markets could give a more compelling opportunity near \$30.

Confidence Ranking: \$\$