



Unusual Bullish Spread in Chinese Wealth Management Company

Ticker/Price: NOAH (\$23.30)

Analysis:

Noah Holding (NOAH) with an unusual large trade on 4/20 as 10,000 of the June \$20 puts were sold to buy 10,000 of the September \$35 calls at around a \$0.07 debit and becomes the only significant open interest in the name. NOAH shares recently hit the lowest level since 2017 but trying to base at a key VPOC and above \$25 have room to run. The \$1.5B Chinese wealth management company is trading 10X Earnings and 2.1X Cash. NOAH reported on 3/24 and registered clients rose 12.9% Y/Y while active clients fell 4.3%. Analysts have an average target of \$34 on shares and short interest is 8.6% of the float. Citi upgraded shares to Buy on 3/30 with a \$33.50 target seeing attractive reward/risk as the progress in standardizing the product ramp-up is better than expected and concerns over the uncertainties from the Camsing product transformation look priced into shares. Hedge Fund ownership rose 7.4% in Q4 filings.

Hawk Vision:



Hawk's Perspective: NOAH activity is quite unusual and a spread that could pay off in a big way for those comfortable owning the name at \$20. The reward/risk looks quite favorable at these levels.

Confidence Ranking: \$\$