



FEATURED OPTIONS RADAR REPORT



Blackstone Calls Buy the Dip As Alternatives Investing Shines

Ticker/Price: BX \$55.80

Analysis:

Blackstone (BX) down around 2% after earnings and buyers stepping in for 3,000 August \$57 calls up to \$1.45 and name with a lot of longer-term positioning including buyers this week in the Jan. 2022 \$65 calls and June 2021 \$40 calls. BX also has seen buyers in the Aug. \$57 calls, Aug. \$52.50 calls recently. Shares are consolidating in a nice multi-week range above the 200-MA and trying for an early hammer reversal today. A move above \$58 sets up for a run to \$65+ and new highs. BX has significantly outperformed the broader financial sector up 1.3% on the year vs XLF down over 20%. The \$66.5B company trades 19.2X earnings and 7X book with a 3.5% yield. BX is thriving in the current environment with strong realizations in both the private and public markets, ample opportunities across asset classes for deployment, and raising \$20B last quarter. They have over \$150B in dry powder for deals and continually seeing low-to-mid single digit AUM growth which is supportive of fees growth into the 2H. BX likely continues to see fundraising outperform with their alternative asset investing with low yields in fixed income and rates at zero as investor look for other areas to allocate capital. Analysts have an average target for shares of \$61. UBS starting a Buy in late June citing their resilient growth, robust inflows and meaningful sector tailwinds. BX has the best fundraising capabilities in the sector and their fee structure sets them up for strong FCF visibility. Short interest is 1.8% and near two-year lows. Hedge fund ownership rose 9.25% in Q1. Artemis a top buyer of 2.8M shares.

Hawk Vision:



Hawk's Perspective: BX remains a top financial to own given their alternatives exposure and think the current pullback gives a nice r/r versus the 200-MA if we start to see a stronger rotation into financials

Confidence Ranking: \$\$