



## FEATURED OPTIONS RADAR REPORT



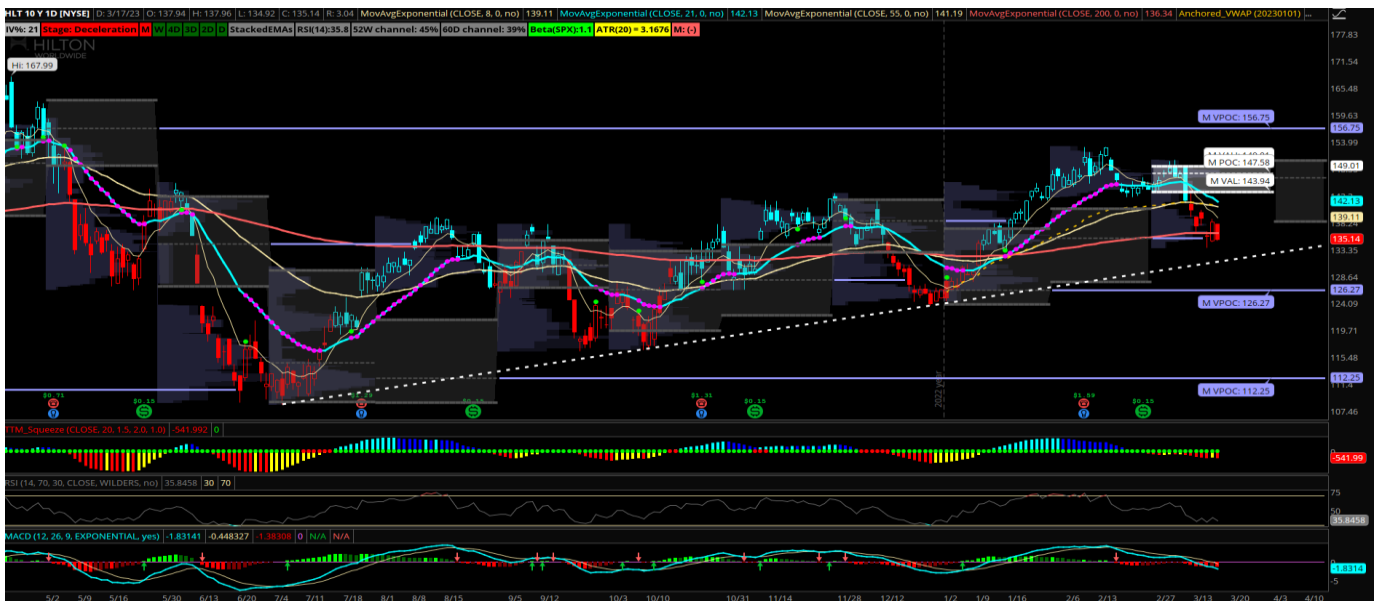
### Hospitality Leader Sees with Massive Call Buyer into Dip

**Ticker/Price: HLT (\$135.11)**

#### Analysis:

**Hilton (HLT)** on 3/13 saw a giant bull step in on the dip back to the 200 day EMA and buy 5000 June \$125 ITM calls for \$17.50 and over \$9M in total. This being the largest option trade in a few months since the other big whale trade in HLT opened 27,000 April \$120 calls bought for \$19.70 and still holding in open interest as April nears. HLT also in mid Jan saw a large bull risk reversal sell to open 1000 January \$110 puts at \$6 to buy the Jan \$125 calls for \$24.80, a sizeable bet showing confidence that 110 is a floor this year and upside is plenty. Shares have been strong since the mid 2022 lows made in July down near 110 and started this year off with a big rally up to 150 before pulling back now with the market and testing its 200 day EMA here at 135 this week as the bullish trades open at key support. HLT has a trendline from the July lows also coming into play a bit lower at 133 and so far a controlled pullback still up 8% YTD. Resistance on the upside is at 144 then 148 with a higher VPOC target still up at 156.75. The \$36B company trades at 23.5x earnings, 4.4x sales, FCF yield of 4.6% while revenue is expected to grow +12% in FY23 and +10% growth estimated in FY24. The Company is engaged in managing, franchising, owning and leasing hotels and resorts, and licensing its intellectual property. Average analyst target is \$150. Barclays upgraded to Overweight and \$168 price target up from \$151. The firm notes the company has underappreciated net unit growth prospects in a slowing macro backdrop. The firm shifted its preference to Hilton from Hyatt (H). Baird raised its target to \$149 and Raymond James boosted its target to \$165 from \$150 and keeps an Outperform citing better than expected Q4 results and better than forecast guidance calling for 4%-8% REvPAR growth. The unit growth and share repurchase stories remain very much intact, aided by early signs of success at the newly introduced Spark conversion brand as well as free cash flow reaching new highs. Short interest is 1.7%. Hedge fund ownership fell 0.2% last quarter. Bill Ackman maintained a large position of 10M shares.

#### Hawk Vision:



**Hawk's Perspective:** HLT is a top name in the hotel and lodging space and likely providing a nice pullback entry point into this long term trend of seeing travel rebound into Summer time.

**Confidence Ranking: \$\$**