
















BlackBull Research Market View, Global Equities Q4



March 2023













US Equities

Sector	Rating	Change from Previous	P/E Fwd	EPS (TTM)	12 Month Price Target
Technology					
 AAPL Apple	HOLD	✓ Slowing hardware sales signal slowing consumer sentiment.	22x	\$5.52	\$160
 ADBE Adobe	BUY	Adobe's suite continues to be peerless for creatives & the modern office. Still trading at ~50% off highs.	19x	\$10.12	\$370
 ALRM Alarm.com	HOLD	✓ High valuation gives pause.	25x	\$0.95	\$40
 AMZN Amazon	BUY	Strong e-commerce sales buck recessionary fears. Advertising business is the surprise star (+28% growth YoY).	37x	\$0.90	\$110
 ATVI Activision-Blizzard	BUY	Merger arbitrage. Likely acquisition by MSFT is a +22% premium to stock price as of writing.	39x	\$1.92	\$95
 BKNG Booking Holdings	BUY	Strong "reopening" travel play & best-in-class operator -- a "toll booth" that takes a percentage of traveler's costs.	17x	\$76.70	\$2,700
 EA EA Games	BUY	Strong network of users (+650M) and recurring revenue from tentpole names like EA Sports & The Sims.	17x	\$3.73	\$120
 GOOG Alphabet	BUY	The biggest advertising company in the world with no natural competitors. Sold off due to misguided AI fears.	15x	\$4.49	\$115

	META	Meta Platforms	SELL		Continued Metaverse spend is a cash "black hole". Cont. competition from TikTok. Declining ad spend.	15x	\$8.63	\$140
	SHOP	Shopify	NEUTRAL	✓	Pandemic beneficiary. Less consumer spending and competition from Squarespace, etc. Prefer AMZN.	NA	-\$2.43	\$40
	TLSA	Tesla	HOLD		We struggle to see the value in Tesla at \$200+ per share. We are bearish on heavy CapEx companies.	35x	\$4.24	\$120
	MSFT	Microsoft	BUY		Cont. to be a behemoth. Office 365 sales an office essential + Windows + fast growing cloud business.	23x	\$9.02	\$280
	SQSP	Square-space	SELL		Overvalued in a saturated market.	106x	-\$0.36	\$10




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Consumer Disc.								
	NFLX	Netflix	NEUTRAL	✓	Reported pleasing results but we prefer Disney, as you get parks + cruises + ESPN + content.	22x	\$10.1	\$290
	NKE	Nike	BUY (underweight)		Massive power as a brand. China sales continue to hurt. Expect China bounceback latter half of the year.	30x	\$3.58	\$140

	PARAA	Paramount	HOLD	✓	A "cheap" media stock but mgmt unclear of direction. Likely acquisition target. Prefer DIS, WBD.	13x	\$1.70	\$27
	POOL	Pool Corp	BUY		Compounder; sells pools but the money is in selling chemicals and maintenance. Benefits from shifting lifestyle trends. +27.54% YTD. Was oversold.	20x	\$18.71	\$380
	SBUX	Starbucks	HOLD		China results are very bad, with more competition from local competitors. US business is very good with strong pricing power.	25x	\$2.90	\$110
	DIS	Disney	BUY		Recent activist pressure led to needed job cuts + \$5B in spending cuts. Remains the king of content. When you buy DIS you get parks + cruises + Disney + EPSN.	18x	\$1.81	\$130
	WBD	Warner-Brothers-Discovery	BUY (HIGH RISK)		"Crown Jewel" is content library (DC, HBO, etc). Rest of media comps. have followed suit and cut costs. Has appreciated +60.30% YTD - take some profit if you bought when we first recommended.	32x	\$-1.68	\$20
	WMG	Warner Music Group	BUY		Music library + royalties from streaming, media etc.	26x	\$1.59	\$37
	BF.B	Brown-Forman	BUY		Premium brands continue to hold value. Jack Daniels etc. Mgmt. successfully transitioned away from discount brands.	32x	\$1.85	\$80
	DPZ	Dominos Pizza	HOLD	✓	Need to see more inflation & consumer spend data. Shortage of drivers is a headwind.	21x	\$12.46	\$290


	EL	Estee Lauder	BUY		Premium beauty + skincare. Mgmt. vastly superior to competitors. Decentralised structure works well. China is some concern.	34x	\$4.17	\$260
	LVMH.	LVMH	BUY		Industry leader in luxury + champagne. Mgmt uses scale well. Luxury tends to be affected less by recession.	28x	\$28.06	900 EUR





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Cons Staples

	JNJ	Johnson & Jonson	SELL	✓	Proposed spin-off of cons. business seems unwise. Pharma business typically valued at lower multiples.	14x	\$7.28	\$130
	TJX	TJX Companies	BUY		Consumer spend in staples continues unabated.	20x	\$2.91	\$80
	COST	Costco	BUY		World class model - ever-growing membership drives results. Expect weaker results for 2nd half of yr.	31x	\$13.63	\$500

Finance

	JPM	JP Morgan	BUY		Well positioned to withstand any recessionary forces. Strong balance sheet. CEO Dimon is best in the business.	10x	\$12.03	\$160
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	V	Visa	BUY		Royalty on consumer spending. Continued shift globally to cashless society.	23x	\$7.71	\$250
	MA	Mastercard	BUY		Royalty on consumer spending. Continued shift globally to cashless society.	25x	\$10.26	\$370
	GS	Goldman Sachs	SELL		Consumer banking division bombed. Lower M&A revenue given the state of the market. Preference JPM.	9x	\$32.49	\$320
Misc.								
	MANU	Manchester United	BUY		Acquisition target. Several highly interested + cashed up parties. Manchester United is a "jewel" asset and should sell it a premium.	NA	\$-0.95	\$29