

Blackstone Secure Lending Fund (BXSL) target achieved

The purpose of this update is to demonstrate that a) technical analysis of charts could lead to positive outcomes when applied correctly and b) reasonable good returns can be achieved by non glamorous stocks with sound fundamentals and technicals.

▼ BXSL breaks resistance achieving \$27 target with 10% gain and 10.8% dividend yield in 3 months

In an earlier blog (No.1, February 20, 2023) I discussed the significance of BXSL breaking out of its long-term resistance at \$24 with an estimated target of \$27 based on technical analysis. This target was achieved on June 30, 2023 with a weekly close of \$27.36. Assuming a purchase was made at the close of Feb 20, 2023, a capital gain of around 10% is achieved in 3 months, along with a current annualized dividend yield of 10.8%!

▼ Firm technicals and favorable interest rates signal potential for further gains

Analysis of the weekly chart below confirms strong underlying technicals implying that there is further room for prices to move higher. This is supported by a firm interest rate environment with possibility of further rate hikes by the US Federal Reserve. Just as a reminder, BXSL loans are full secured, floating rate thus benefiting from the current interest rate environment. The company announced a 10% increase in dividends last week, bringing the current yield to 10.8%.

A closer examination of the weekly chart below, shows firm relative strength with the RSI above 70 (top segment of chart below) and approaching an overbought condition. RSIs can remain overbought in strong uptrends.

Next levels of resistance are at around \$28, \$30, and \$32 with a possibility of pullbacks before each target is reached. Volume increases are above normal on up days giving rise to an increase in the On Balance Volume indicator shown below the price chart. Finally, the directional indicator “ADX”, below the OBV indicator, is trending up implying the uptrend remains firm. In summary, BXSL is developing momentum after building a strong base.

If you have any questions, feel free to reach out.



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▼ **Disclosure**

Full disclosure: The author has a position in the above fund. A copy of this blog will also be available at www.skmarketinsights.com under “blogs”. Please e-mail me at info@skmarketinsights.com to enable access to this and other reports.