



# OptionsHawk



## Boston Scientific Put Sales See Limited Downside for Shares

**Ticker/Price:** BSX (\$35.15)

### Analysis:

**Boston Scientific (BSX)** opening seller yesterday of 1,500 May \$35 puts for \$2.80, stock replacement, and follows sellers on Friday in the August \$33 puts 1,000X. BSX also has 4800 August \$40 short puts and 4250 May \$40 short puts in OI and underwater from earlier this year as well as some OTM May calls. BSX has been one of the strongest names in the market but under weekly cloud support for the first time since 2012 and back at key support from 2018. BSX is also right back at weekly channel support that has an upside target of \$50. The \$49B company trades 17.57X earnings and 4.57X sales with mid-teens EPS growth. BSX has a busy 2020 ahead with product launches and expansion into some high-growth verticals like neuromodulation where they could address the 1.2M patient population impacted by Parkinson's. They are also targeting higher growth in endo where they have an industry leading portfolio including Exalt-D which received CE mark in late January. BSX also is integrating their \$4.2B deal for BTG which adds a wide array of minimally invasive vascular devices to their product scope and also specialty pharmaceutical and licensing wing of interventional oncology therapeutics for patients with liver and kidney cancers. Analysts have an average target for shares of \$49. CSFB lowering their PT to \$46 last week on potential COVID-19 impact. Citi starting at Buy on 3-4 as they believe BSX is well positioned in 2020 with key drivers including its core Watchman franchise and new TAVR entrants, the recovery in neuromodulation, the beginning of its single use scopes platform for endoscopic procedures, and the company starting to leverage its BTG acquisition. Short interest is less than 1%. Hedge fund ownership rose 1% in Q4 with Viking Global a buyer of 8M shares while Winslow Capital also a buyer of a new 4.75M share position. BSX will be at the Barclays conference today.

### Hawk Vision:



**Hawk's Perspective:** BSX looks attractive at these levels against key trend support and back at Q4 2018 support. BSX could see some deferred procedures but looking priced in at this point, but as with all names need to see proper bases form and short term moving averages curl upward.

**Confidence Ranking:** \$\$