



FEATURED OPTIONS RADAR REPORT



Boston Scientific Bull Positions Accumulate

Ticker/Price: BSX (\$39.65)

Analysis:

Boston Scientific (BSX) on 8/25 with a buyer of 1000 November \$36 calls to open for nearly \$500K and follows recent buying in OTM calls in September and October as well as a number of opening put sales. BSX shares are forming a nice pattern above the 200 MA with clear room back to a key volume node at \$42 and the \$33/\$38 range break targets a move back to \$43. The \$56B medical device company has lagged the recovery along with peers as procedures slowed but Medtronic (MDT) was optimistic regarding a recovery in procedure volumes this week. BSX trades 23.4X Earnings, 5.55X Sales, and 62X FCF with forecasts for 18% revenue and 65% EPS growth in 2021, a name that could see rotations to it as comps start to ease. BSX has been a long turnaround story and launching a number of new products while expanding 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 market 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. BSX beat the consensus numbers sharply on 7/29 and presented at Guggenheim in early August highlighting its leadership positions in a number of key medical device categories. Analysts have an average target of \$46 and short interest is low at 1.1% of the float. Bernstein out positive last week as was CSFB with \$47 targets. Hedge Fund ownership rose 6% in Q2 filings, Viking Global, Steadfast Capital, and Glenview notable top holders.

Hawk Vision:



Hawk's Perspective: BSX sets up well here and like the name overall in Med-Tech at this valuation, and looks good to move up another 10% or so near-term.

Confidence Ranking: \$\$