



## FEATURED OPTIONS RADAR REPORT



### Large Trade Looks for More Gains in Nanostring

Ticker/Price: NSTG (\$47.35)

#### Analysis:

**Nanostring (NSTG)** with an unusually large trade on 11/19 as 2000 December \$50 calls opening at \$3.20 as a trade closed out 1000 November \$40 calls at \$7 that were bought near \$2.25. NSTG does not have any other notable open interest. NSTG is a name that has climbed 700% since 2018 and this week working out of weekly consolidation to new highs. NSTG is a small-cap play in the hot bioprocesses space. Its core technology is a unique, proprietary optical barcoding chemistry that enables the labeling and counting of single molecules. This proprietary chemistry may reduce the number of steps required to conduct certain types of scientific experiments and allow for multiple experiments to be conducted at once. nCounter can be used to analyze the activity of up to 800 genes in a single experiment. nCounter is also used by clinicians to analyze gene activity relevant for diagnostic applications. GeoMx DSP, which was made commercially available in 2019, is designed to enable the field of spatial genomics. While nCounter and other existing technologies analyze gene activity as a whole throughout the totality of a biological sample, GeoMx DSP is used to analyze specifically selected regions of a biological sample in order to see how gene activity might vary across those regions or in certain cell types. NSTG is essentially a “pick and shovel” play in genomic research. NSTG currently has a \$2.1B market cap and trades just under 18X sales, revenues seen rising 29% in 2021 and 20% in 2022. Analysts have an average target of \$45.50 and short interest is 9.4% of the float. UBS recently out with a \$52 target while MSCO initiated in September at Equal Weight with a \$43 target with valuation concerns. Hedge Fund ownership rose 9% in the latest quarterly filings, notable that ARK Investment has a 1% portfolio position and the largest holder of NSTG.

#### Hawk Vision:



**Hawk's Perspective:** NSTG is among this exciting group of growth stocks in life science and bioprocesses, though valuation at 19X sales with less growth than some peers a concern, no doubt the rising tide across this group has a long way to go.

**Confidence Ranking:** \$\$