



FEATURED OPTIONS RADAR REPORT



Call Buyers Position in Med-Tech Leader with Robust Pipeline

Ticker/Price: ABT (\$118.35)

Abbott Labs (ABT) on 3/30 with a large buy of more than 2000 January \$120 calls to open for over \$2M as June \$115 calls started to adjust and ABT has most notable over 20,000 January \$140 calls in open interest from accumulation in November. ABT shares are -15.9% YTD as a name that faced tough COVID comps but basing the last few weeks above VWAP off the March 2020 lows and trend support off some recent lows. ABT is a large healthcare products company reporting in four segments: Established Pharmaceutical Products, Diagnostic Products, Nutritional Products, and Medical Devices. Libre and Amulet have been two key growth drivers for ABT. ABT has a market cap of \$206.75B and trades 23X Earnings, 4.8X Sales and 38X FCF with a 1.59% dividend yield. ABT forecasts see 2022 as a transition year with Revenues and EPS down Y/Y before returning to growth in 2023. Analysts have an average target of \$140 and short interest at 0.6% of the float is low. BAML recently reinstated shares Buy with a \$140 target offering solid organic growth, best-in-class pipeline and a strong balance sheet. ABT is a leader in some of the best growth markets in med-tech and the cash from COVID testing gives ABT flexibility to invest for future growth and compliment organic efforts with tuck-in M&A. As ABT continues to develop its pipeline and bring next-generation devices to market, BAML sees several years of accelerated growth. The company has a lot of moving pieces over the next several years with numerous product launches, label expansions as well as next-gen iterations. ABT has 10 programs that could become major growth drivers in Diabetes, Heart and Rhythm Management.

Hawk Vision:



Hawk's Perspective: ABT has a falling wedge pattern and would love to see a close above \$123, a high quality name and despite tough comps a long-term winner.

Confidence Ranking: \$\$