



## FEATURED OPTIONS RADAR REPORT



### Bulls Willing to Own Large Cap Healthcare Company with Upside to Growth Estimates

Ticker/Price: ABT (\$128)

#### Analysis:

**Abbott Labs (ABT)** large trade on 9/9 sold 2500 January \$125 puts to open for \$5.60 in a stock replacement, not expecting much downside through year-end. ABT has also seen buyers of 2750 June 2022 \$110 calls from back in May and has 4700 January \$130 calls bought in OI from February trades. ABT shares are back near new highs after correcting from February to June and always a high-quality own with the 138.2% Fibonacci extension target up to \$137.50. ABT held a retest of its early 2021 breakout into the weakness and key volume zone and the uptrend remains firmly intact. ABT is a large healthcare products company reporting in four segments: Established Pharmaceutical Products, Diagnostic Products, Nutritional Products, and Medical Devices. ABT has a market cap of \$228B and trades 27.7X Earnings, 5.7X Sales and 39.6X FCF with a 1.4% dividend yield and forecasts of 15% revenue growth and 21% EBITDA growth in 2021 before facing tough comps in 2022. ABT sold off earlier this year as COVID testing volumes fell sharply Y/Y though Med-tech is seeing stronger trends. ABT's COVID tests recently had to be limited in sales by CVS due to strong demand so it could see a resurgence there. ABT's Diabetes unit has been the standout with a 30% CAGR the last two years. Analysts have an average target of \$132 with short interest minimal at 0.7% of the float. BTIG recently raised its target to \$136 positive on the long-term growth profile and recent study results of its FDA-approved Amulet Left Atrial Appendage Occluder, Barclays noted that device could be a needle-mover with a \$10B+ addressable market seeing it driving strong forward growth. Cowen raised its target to \$140 on 8/23. Hedge Fund ownership fell 2.4% last quarter, Polen and Sustainable Growth notable concentrated holders.

#### Hawk Vision:



**Hawk's Perspective:** ABT recently broke a small flag and could come back to retest near \$126 as an ideal spot, remains a top name in Healthcare for large-caps.

Confidence Ranking: \$\$