



FEATURED OPTIONS RADAR



Healthcare Diagnostics Name Rebounding with Large Opening Put Seller

Ticker/Price: DHR (\$219.99)

Analysis:

Danaher (DHR) on 11/20 saw large opening sale of 650 January 2026 \$210 puts at \$23.00 for over \$1.6M in put premium harvested and showing confidence in current price levels. Also, on the same day saw 4000 December \$220 calls opening at \$1.55 as the weekly \$210 adjust out. DHR still has a 10/25 buyer in open interest for 500 March \$200 calls bought at \$12.80 and has 500 March \$240 buy writes holding from sales back on 10/19, for \$5.50 so willing to be called away near that gap fill which would make a nice ceiling target. The \$162.7B med tech health company trades at 26.8x earnings, 6.8x sales, FCF yield of 4.4% with revenues expected to fall -11% in FY24 and growth estimated to rebound at +9% in FY25. Danaher Corporation designs, manufactures and markets professional, medical, industrial, and commercial products and services. DHR is coming off a solid quarter beating EPS and sales estimates and saying that it will spin off Veralto (VLTO), its environmental-and-applied solutions segment. DHR also saw approval for its takeover deal to acquire all of the outstanding shares of Abcam for \$24.00/share in cash. Details of the merger include Abcam continuing to operate as a standalone company within Danaher's Life Sciences segment. The transaction is expected to close in mid-2024. DHR is paying ~9x Abcam's FY24 sales and could use some assistance offsetting lingering softness in its Bioprocessing unit. Shares have been rallying off recent lows and the past week surging back through monthly value area after regaining the zone near 200 and now quickly back to the value highs and 55-day MA so potentially ready for a small pullback to the rising 8 EMA support near 210 now which makes it an ideal entry point to get involved after the big opening put sales showing confidence in the rebound lasting longer term. DHR has a big open gap above 225 here from the sell of a few months ago that looked to be capitulation. The gap would fill at near 250 on a continuation higher but some resistance before that looks to be at the 200-day MA near 240. Average analyst price target is \$235. Citi has a \$240 target and Buy rating on the name as they recently stated that it expects investor focus will continue to shift to the ability to get comfortable with the fiscal 2024 setup and numbers, particularly given concerns on visibility across bioprocessing instrumentation, and China. JPM lowered its target to \$260 from \$300 but keeps a Overweight citing that despite the headwinds the group is facing, it maintains its recommendation for select exposure in tools given strong underlying market dynamics in bioprocessing, saying the stocking headwinds are largely a timing-related issue. Short interest is at 0.9%. Hedge fund ownership rose 0.5%. ValueAct started a new position of 120K shares last quarter. Stanley Druckenmiller also with a new position of 80,000 shares.

Hawk Vision:



Hawk's Perspective: DHR is rallying into some short term resistance but the put sales recently likely make bull put spreads a nice idea on the next dip to 8 EMA, Jan \$210/200 put spreads for 2.50 on a dip can work.

Confidence Ranking: \$\$