

Two of the Most Oversold Biotech Opportunities to Own Now

It's tough to discount the bullish case for biotech and pharmaceutical stocks.

For one, millions of retiring baby boomers are not only exploring new ways to shave off signs of aging, they are looking to postpone health-related decline and even death.

In addition, we are seeing countless mergers and acquisitions. We're also seeing new, innovative treatments for a myriad of issues. And, if you're in the right place at the right time, the windfall profits are endless.

Because – let's face it – making money from this solid, unbreakable sector couldn't be any easier; especially if you can uncover unfairly beaten down biotech stocks, like Heron Therapeutics (HRTX) and Bristol-Myers Squibb (BMY).

Plus, aside from the usual catalysts, including 80 million retiring baby boomers, newly insured Americans, explosive mergers and acquisitions, heavy demand, and exciting new innovation, biotech stocks are some of the most exciting trades on market – not to mention recession-proof. After all, people will always require medical attention.

Heron Therapeutics Inc. (NASDAQ:HRTX) is a biotechnology company that engages in developing treatments to address unmet medical needs.



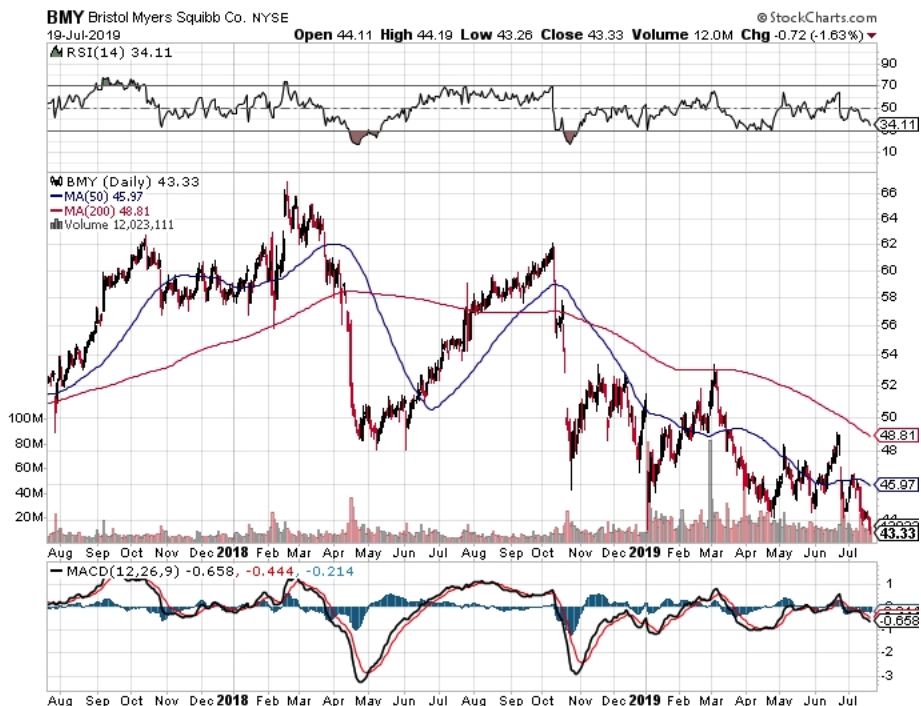
In recent months, HRTX was severely beaten up. But, it appears it's overdone, as the stock begins to trend higher from a May 2019 low of \$16.20. That was after the US FDA rejected its experimental post-operative pain medication, HTX-011.

However, that was based on the FDA's need for further chemistry numbers, manufacturing, and control data. What we have to consider here is the company should not have to conduct any further trials, which should allow the company to refile an NDA before the end of 2019. Another strong point to consider is

that this treatment is expected to generate millions in sales over the next 10 years. Also, HTX-011's late-stage trials were strong enough to warrant approval, in our opinion.

The best way to trade HRTX is by buying the stock at market prices.

Bristol-Myers Squibb (NYSE:BMJ) discovers, develops, licenses, manufactures, markets, distributes, and sells biopharmaceutical products worldwide. Most, if not all of us are very familiar with the BMJ name.



Now that BMJ just hit a 52-week low again, we believe it's unsustainable. We believe that with time, the stock will recover significantly. It's BMJ. It's not going out of business. And we strongly believe that investors are overreacting. In addition, if you look at a five-year chart of BMJ, each time it falls apart, it catches support at the same support line. Also, relative strength, MACD and Williams' %R tell us the stock is exceptionally oversold.

There are a few ways to trade BMJ at the moment.

One is to buy the BMJ stock at market. The other is to buy to open the BMJ December 20, 2019 43 and the BMJ December 20, 2019 44 calls at market prices.