U.S. orthopedics on the upswing, analysts say | Wall Street Beat

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A new survey of U.S. hip and knee surgeons adds to Wall Street analysts' confidence that the orthopedics market is looking up.

Wall Street analysts are predicting with increasing confidence that the U.S. orthopedics market is on the upswing following an industry survey suggesting a coming increase in procedure volumes.

A MEDACorp orthopedics survey of 65 U.S. hip and knee surgeons found improvements in 12-month procedure volume expectations and increased patient willingness for surgery, according to an investment note from Leerink Swann analyst Richard Newitter.

"While not a definitive 'inflection point,' the results seem to suggest improving, not just 'stabilizing,' U.S. ortho recon volume trends," Newitter wrote.

Taken together with ortho bellwether Biomet Inc. [1]'s positive 2nd-quarter preliminary results, Leerink forecast a growing orthopedic reconstructive market this year, suggesting that its previous 2012 hip and knee estimates may be "conservative."

That's good news for device makers such as Zimmer [2] (NYSE:ZMH [3]), Stryker [4] (NYSE:SYK [5]) and Wright Medical [6] (NSDQ:WMGI [7]), all of which saw upticks on Wall Street today.

Still, the research firm maintained its previous 2.8% growth projection due to uncertainty about the European economic environment, Newitter added.

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