Second negative report hits Intuitive Surgical, but shares rally on positive Goldman Sachs update

Mass Device

The 2nd installment of a highly negative report on Intuitive Surgical by hedge fund Citron initially sent ISRG shares down more than 2% yesterday, until a price target increase by Goldman Sachs pushed investors into a 3% rally.

Shares of Intuitive Surgical [1] (NSDQ:ISRG [2]) came under pressure early yesterday on a negative report from hedge fund Citron Research, before rallying after Goldman Sachs boosted its price target on the stock.

"As Wall St. awaits ISRG earnings next week, which are at risk of tipping weakness in its total procedures growth, the real story is the macro picture, which portends enormous headwinds in 2013 for the 1-time Wall Street darling. Procedure counts will dramatically soften and new machines sales will flatline, due to: heightened awareness of treatment cost differentials to be leveled under Obamacare; the consequences of looming litigation, which will force hospitals to disclose more completely and accurately the risks of complications in robotic surgeries, including: the specific risks of being exposed to the movements of the robot's instruments; the electricity conducted within and through them; and the surgeon's level of skill and training in manipulating the device," according to the Citron report [3].

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video_of_the_day=0

Links:
[1] http://www.massdevice.com/company/intuitive-surgical-inc
[2] http://www.google.com/finance?q=isrg
[3] http://www.citronresearch.com/wp-content/uploads/2013/01/Intuitive-Surgical-part-two-final.pdf