

Barron's, Citigroup bet on a comeback for Motorola

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An [article in Barron's](#) suggests that [Motorola](#) (NYSE: [MOT](#)) is on the verge of regaining some of its former mojo. The company recently offered a solid outlook for the remainder of the year, and it could garner new business after debuting two smartphones featuring [Google's](#) (NASDAQ: [GOOG](#)) Android operating system -- namely, the Droid and the Cliq.

The author cites analyst Ed Snyder of Charter Equity Research, who believes Motorola is on the cusp of "an extended upswing in handsets ... over the next several quarters." Snyder believes that the firm's ailing handset division could achieve break-even results as soon as the second quarter of 2010.

Meanwhile, *Barron's* isn't the only entity on Wall Street to comment bullishly on Motorola. Ahead of Monday's open, Citigroup [upgraded the shares](#) from "hold" to "buy," and boosted its price target from \$9 to \$10.50. In a note to clients, the brokerage firm cited a trend toward workers bringing their own smartphones into the office, which is expected to benefit the Droid and and apply pressure to rivals such as [Research In Motion Limited](#) (NASDAQ: [RIMM](#)).

MOT has galloped to gain of more than 3% at last check, extending the equity's uptrend along support from its 10-week and 20-week moving averages. These trendlines have guided the shares higher since March. However, the \$9 level has exerted resistance since mid-September; MOT has been unable to notch a single weekly finish above this strike.

Unfortunately, heavy out-of-the-money call open interest in the front-month series could reinforce this region's strength as resistance. The November 9 strike is home to peak call open interest of 23,502 contracts, which could exert options-related pressure as expiration draws closer.

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