



Jet Blue Attracts Size Call Buys

Ticker/Price: JBLU (\$18)

Analysis:

Jet Blue (JBLU) trading nearly 17,000 calls this morning running 9.5X daily average with 9,000 June \$19 calls active and 6,500 of the January \$20 calls. JBLU has seen some unusual large opening put sales in September \$20, \$18 and \$14 strikes as well as January \$20 and \$15 puts and June \$17 puts. JBLU shares are working higher out of a multi-month base and showing bullish weekly RSI divergence, back at a former breakdown level and above \$20 can make a run up to \$25. The \$5.37B regional airliner trades 7.85X Earnings, 6X FCF and 4.6X EV/EBITDA. Forecasts are looking for 6.5% revenue growth this year after 9.2% last year and 10.4% EBITDA growth. Reuters reported on 4-11 the Company is targeting low-fare trans-Atlantic travel to London in 2021. It recently lowered RASM guidance due to weakness in Florida and Caribbean markets due to competition. Analysts have an average target near \$20 on shares and short interest is 4.5% of the float. Barclays downgraded shares in March with a \$20 target and CSFB is at Underperform. There has not been a lot of recent Analyst coverage. Hedge Fund ownership fell 1.9% in Q1 filings.

Hawk Vision:



Trading Strategy: JBLU is not pretty compared to peers on fundamentals though the new move to International could be a multi-year tailwind. The chart and flows look quite bullish and valuation is cheap.

Confidence Ranking: \$\$