



BJs Restaurant Bulls Active into 18-Month Lows

Ticker/Price: BJRI (\$37.75)

Analysis:

BJ Restaurants (BJRI) working out of a base and 700 December \$40 calls bought to open up to \$2.45 here, BJRI has some notable October open interest with 1000 of the \$35 calls bought and the \$45/\$55 call spreads 1000X versus short the \$40 puts. Shares have pulled back sharply since Q4 2018 and back at a prior key breakout where shares are trying to base, lagging many of the US restaurant peers this year where the trend has been strong. The \$770M Company trades 16.9X Earnings, 0.68X Sales, 17.4X FCF and 7X EV/EBITDA with a 1.3% yield and accelerating revenue growth. BJRI has industry leading unit volumes and guest traffic numbers. Analysts have an average target of \$46 and short interest at 10.7% of the float has been coming down with shares this year. OpCo has a \$50 target seeing attractive valuation. Loop Capital lowered its target to \$45 after last quarter 2% comps. Hedge Fund ownership rose 6.3% in Q2 filings.

Hawk Vision:



Hawk's Perspective: BJRI is giving a nice spot to trade against as it works out of this recent downtrend and could be a nice turnaround story into year-end and 2020.

Confidence Ranking: \$\$