

Casino and gaming stocks were red hot Monday as Macau released gaming revenues for the month and large players like **Las Vegas Sands** and **Wynn Resorts** won big on their exposure to Asian markets.

Monday's top performer, though, was Macau-based

[Melco Crown Entertainment](#) ([MPEL](#) - [news](#) - [people](#)), surging 5.89%. Macau, the only Chinese territory where casinos are permitted, experienced a huge increase in gambling revenues: the territory's Gaming Inspection and Coordination Bureau reported gross revenue was up 39.8% in September to \$1.9 billion.

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Casinos Rally As Investors Lay Bets On Asia - Forbes

Written by Administrator

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The figure fell short of July's 70% year-over-year increase, the numbers are still strong and appealing to American investors, says Deutsche Bank analyst Chris Worenka. "Even though we are seeing tough year-on-year comparisons, Macau's continued growth has been appealing to US investors who are tired of sluggish domestic growth," he continues.

Macau became the world's premier gambling hub by revenue in 2006, as it surpassed Las Vegas and has continued to geographically dominate the sector's finances.

This has given an important boost to gaming stocks across the board, which rallied 3% as a group Monday. "These numbers are based on the continued growth in Macau. While the US is a recovery story, Asia is a story of secular growth," Worenka says, pointing out the importance of other Asian markets such as Singapore. "Regional and domestic operators are growing but at lower multiples. Investors want liquidity, they want to get in and out very quickly."

Casino and gaming stocks were hit hard by the recession, bottoming out in March 2009. Since

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then, they have recovered substantially, but still remain below their pre-crisis levels.

MGM China Holdings' recent filing of an IPO in Hong Kong that will seek to raise up to \$500 million for certain Macau assets speaks to the importance of Asian markets. MGM's Chinese operations are part of a joint venture with Pansy Ho, daughter of billionaire casino owner [Stanley Ho](#). In New York, [MGM Resorts International](#) ([MGM](#) - [news](#) - [people](#)) moved up 0.98% to 11.36.

Market talk in the U.S. has been about the shifting attitudes of casino operators towards online gambling. The American Gaming Association, a lobby-group that represents major casino groups such as [Las Vegas Sands](#) ([LVS](#) - [news](#) - [people](#)) and [Stephen Wynn's Wynn Resorts](#)

, has come out in favor of regulating online gambling, claiming it will help the industry. And they are not alone, Representative Barney Frank (D-Mass.) is introducing a bill to the U.S. Congress to legalize all types of online gambling with the exception of sports betting. But there are still many skeptics that believe online gambling will cannibalize casino visits and revenues.

The outcome is still uncertain, says Worenka. It is hard to say where this is going because we don't know what the rules are going to be. Online gambling is an opportunity for casino operators, but it is also a threat, I think the big names out there are better positioned to take advantage of these new trends.

Major players had big days in New York on Monday, with Melco Crown Entertainment leading the pack, up 5.9% or 30 cents to \$5.39, followed by Wynn Resorts which rose 3.93% or \$.342 to \$90.52 and billionaire [Sheldon Adelson's](#) Las Vegas Sands, which rallied 3.6% or \$1.25 to \$36.44.

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