

Macau Casino Stocks Are Sizzling - Seeking Alpha

Written by Administrator

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Macau casino stocks - [WYNN](#) , [LVS](#) , [MPEL](#) , [MGM](#) - are hot right now and warrant an immediate look.

Consider the following:

- Each of these stocks has a sizable presence overseas (Macau for [WYNN](#) , [LVS](#) , [MPEL](#) and [MGM](#) and Singapore for [LVS](#)). A sizable portion of their profits are not dollar denominated and are a hedge against dollar depreciation.
- [WYNN](#) and [LVS](#) recently hit 52 week highs following news that Macau's September 2010 gambling revenue was up 40% year over year, rising to \$1.9 BB from \$1.39BB. As recently as October 4th, WYNN and LVS were trading at \$90.51 & \$36.44 respectively. Today - one week later - they have jumped to \$95.84 and \$37.56.
- [MGM](#) has filed an initial application for an IPO of its Macau operation. The stock has jumped from \$11.31 to \$13.11. During the same time period, MPEL - which is a pure Macau play - has jumped from \$5.39 to \$5.63.
- For the first nine months of this year, the YOY increase in Macau gambling revenue has been 60%.
- The Border Gate - which connects Macau to mainland China - is expanding its capacity to more than double its current size before the upcoming Chinese New Year. The expansion will allow it to increase the number of travelers to Macau from 200,000 daily to 500,000 daily.

Disclosure: Author is long LVS, MPEL

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