

Vegas baby! Casino stocks are paying off - The Buzz

Written by Administrator

Thursday, 25 October 2012 18:08 -



COURTESY: LAS

Investors betting on casino stocks are seeing a nice payoff Thursday.

Wynn Resorts ([WYNN](#)), which operates casinos in Las Vegas and Macau, blew past analysts' expectations, reporting earnings per share late Wednesday of \$1.48 and announcing a special \$7.50 dividend. Aptly named Wynn also said it expects to double its quarterly dividend to \$1 in fiscal 2013.

One note of caution: revenue was just in line with estimates. That's symptomatic of the rough patch casinos have hit lately.

Earlier this month, the Nevada Gaming Board said revenue from the Vegas strip had fallen off in

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August. But Wynn, along with rivals Las Vegas Sands ([LVS](#)), and MGM Resorts International ([MGM](#)), don't just count on Vegas for their revenue. Unfortunately, that's also been a bit of a trouble spot, with gaming in Macau also said to be falling off a bit.

Still, shares of all three companies have surged between 16% to 27% over the past three months and StockTwits traders have plenty to say.

[traderstewie](#): Not much i like on long side right now. However, [\\$LVS](#) , [\\$WYNN](#) . definitely worth watching,

[AnalystWire](#) : Compass Point Upgrades Wynn Resorts ([\\$WYNN](#)) to Neutral on Better Las Vegas Trends <http://stks.co/d>
[CyO](#)

[DomLuminous](#) : [\\$WYNN](#) Revs fell short, lower guidance into next qtr. Macau numbers sliding. Great move on the divy or this would have been down 10%

Very good point. Macau seems to be a bit of a trouble spot lately. Wynn's revenues took a hit there, declining 4.3%. Most of the decline came from a drop in turnover at mass market table games and slot machines.

On the bright side, the VIP set continued to shell out. And Wynn has big plans for expanding in Macau after getting the green light from the government to move ahead with a \$3.5 billion to \$4 billion project.

[JFinDallas](#) :I think they are confident about the long term, not so much about next few Qs IMO
RT [@wallstreetlive](#) [\\$WYNN](#) why lower forecast again?

[RedDogT3Live](#): [\\$LVS](#) shows relative strength with [\\$WYNN](#) . Nice macro pennant. Earnings

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need to deliver

Just like a real casino, casino stocks can be a gamble for investors so one good quarter is just that: one good quarter.

Las Vegas Sands has the added benefit (or challenge) of having a presence in Singapore, where business has largely been paying off.

[Jettson12](#) : for [\\$LVS](#) to beat earnings Singapore has to be up 25%+ qoq. [\\$WYNN](#) qtr told us mkt shr gains stopped in Macau. Could be set up for big miss

Everyone's a critic. In all seriousness, it's a tough business to be in. So investors should place their bets wisely.

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