

Casino stocks rally on hopes of quick rebound in Asia

Written by Administrator
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Casino stocks rallied in the extended session Wednesday after Las Vegas Sands Corp. executives discussed a rebound in revenue among its properties across Asia.

Las Vegas Sands [LVS, +0.83%](#) shares surged 7.6% in the extended session Wednesday, as Wynn Resorts Ltd. [WYNN, -0.52%](#) rallied 5.3% and MGM Resorts International [MGM, +0.75%](#) climbed 2%.

Sands executives said in the company's earnings conference call late Wednesday that they believed demand would rebound more quickly in Asia versus the U.S. in part because their customers are more accustomed to wearing face masks, having their temperature taken and other precautionary measures because of past epidemics in the region.

"I don't think the Asian people have a problem at all," Chief Operating Officer Robert Goldstein said on the call. "In fact, I think they're going to welcome it and be anxious to get back to having fun. I believe that from the bottom of my heart, the recovery in Asia is going to happen rather quickly. I'm not as comfortable [about] Vegas."

Read: [Visits to Macau fall 80%, impacting Las Vegas Sands](#)

Sands Chief Financial Officer Patrick Dumont said that the company is "pretty confident" that the business will be in better shape this summer and in a "much better place" by the fall. "We have seen evidence of pent-up demand like crazy from our customers, who are asking when, and we talk to them pretty regularly," he said. "So we feel pretty good about the return in Macau. Far, far beyond what we're going to see in the U.S."

Wynn and MGM also operate properties in Macau.

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For Sands' Macau operations, Chief Operating Officer Robert Goldstein said social distancing will have a minimal impact because of the amount of square footage of its properties there and numerous table slots.

In the earnings call, Dumont said Sands can continue to operate with close to zero revenue and continue to develop its existing plans in Macau for roughly 18 months with its current resources.

"If, for some reason, we felt like we needed access to the capital markets, we spent a lot of time working to ensure that we had access to the most deep and most liquid market in the world, which is the high-grade bond market," Dumont said. "And so as an investment-grade company, the investment-grade bond market opened very quickly, after the impacts of coronavirus hit the capital markets."

See also: [Macao casinos allowed to reopen after anti-virus closure](#)

[Macao authorities suspended casino operations for 15 days](#) starting Feb. 5, but business remains constrained there, Las Vegas Sands executives said. Travel restrictions, such as suspended ferry services, combined with canceled tours and quarantine requirements have curtailed business there.

In Singapore, where Sands operates another casino, the government suspended gaming operations from April 7 through June 1, which could be extended, executives said.

Sands' Las Vegas operations have been suspended through April 30, [though the city's mayor has pushed for casinos to reopen](#) as soon as possible, despite the outbreak.

[Sands reported first-quarter results late Thursday, including revenue that fell](#) 51.5% to \$1.78 billion from \$3.65 billion a year ago. The company has also suspended dividend payments.

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