

Written by Administrator
Friday, 01 May 2020 10:35 -

U.S. gaming stocks have rebounded significantly off their lows even though Las Vegas casinos remained closed due to Nevada's statewide shutdown. On Thursday, Nevada Governor Steve Sisolak announced the first phase of the state's reopening will begin on May 15, but casinos will not be included.

Casinos Excluded From Phase One

The first phase of Nevada's reopening plan includes easing restrictions on activities such as golf and tennis, as well as standalone retail stores. Social gatherings will continue to be limited to a maximum of 10 people. Bars, nightclubs, malls, and casinos will remain closed for now.

Nevada is expected to begin the second phase of its reopening plan two to three weeks after the first phase, assuming no spikes in hospitalizations. Although casinos were not specifically mentioned as part of phase two, **MGM Resorts International** (NYSE: [MGM](#)) suggested on its earnings call that they could be included in the second phase.

Assuming casinos are part of phase two, that could put them on track to reopen by June 1. However, Bank of America analyst [Shaun Kelley](#) said investors shouldn't expect business as usual. Kelley said it's likely properties will open in stages, not all at once. Casinos will also implement social distancing measures at tables, slot machines and other facilities. In addition, large events like concerts, sports and conventions will likely remain banned for the foreseeable future.

"Given the market's reliance on air travel and large scale events, this suggests a full reopening of the Strip could take a significant period of time even if the virus remains under control," Kelley wrote in a note.

MGM said it could potentially begin its reopening process with the Bellagio and New York-New York, but it needs at least 30% occupancy to reach cash flow breakeven.

How To Play It

Despite the difficult near-term outlook for Vegas, Kelley says there are opportunities in the

Written by Administrator
Friday, 01 May 2020 10:35 -

casino stocks for long-term investors. Bank of America has the following ratings and price targets for Las Vegas casino operators:

- **Boyd Gaming Corporation** (NYSE: [BYD](#)), Buy rating, \$22 target.
- **Las Vegas Sands Corp.** (NYSE: [LVS](#)), Buy rating, \$61 target.
- **Wynn Resorts, Limited** (NASDAQ: [WYNN](#)), Buy rating \$85 target.
- MGM Resorts, Neutral rating, \$14 target.

Benzinga's Take

Even once the Vegas casinos reopen, it will be a long path back to normal for investors. Casinos in Macau, China reopened in March, but gross gaming revenue for the month of April was still [down 96.8%](#) from a year ago.

Do you agree with this take? Email feedback@benzinga.com with your thoughts.

Related Links:

[How Trading In Ford, GE And Other Volatile Stocks Could Be Linked To Casino Closures](#)

[Las Vegas Room Rates Plummet As Casino Stocks Remain In Limbo](#)

Latest Ratings for MGM

| Date | Firm | Action | From | To |
|----------|----------------------------|-----------|------|----|
| May 2020 | Stifel | Maintains | Hold | |
| Apr 2020 | SunTrust Robinson Humphrey | Maintains | Hold | |
| Apr 2020 | Deutsche Bank | Maintains | Hold | |

[View More Analyst Ratings for MGM](#)

[View the Latest Analyst Ratings](#)

© 2020 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.

Written by Administrator
Friday, 01 May 2020 10:35 -

Read more <https://www.benzinga.com/analyst-ratings/analyst-color/20/05/15933525/the-road-to-recovery-for-las-vegas-casino-stocks>