



FEATURED OPTIONS RADAR REPORT



Las Vegas Sands Bulls Position for Gaming Recovery

Ticker/Price: LVS (\$47.50)

Analysis:

Las Vegas Sands (LVS) with 2,000 September 11th (W) \$49 calls bought \$1.45 this morning and also 2,500 October \$50 calls bought \$2.59 in a stock replacement. LVS has seen a lot of bullish flow lately including 10,000 October \$52.50 calls, 2000 October \$50 calls, and 2,500 October \$45 calls bought in July. LVS has short puts recently around the March \$35 and \$45 strikes and January \$30 strike. Shares rallied back to the 200-MA in mid-August and pulling back now to the 20-MA and sitting right around YTD VPOC. A move above \$51.50 has a lot of room above back to \$57.50 and then \$62.50 into a low-volume node. The \$36.45B casino operator trades 22.8X earnings and 4.22X sales with a strong balance sheet which gives them flexibility to be more proactive with investments during this period of weakness and set themselves up for a long period of outperformance in Asia. LVS noted in July on their call that they expect to invest in Asia where the opportunities are strong and leisure and business tourism is expected to grow faster than the Strip over the next decade. LVS has exposure to not just Macau but also Singapore where they're expanding their Marina Bay resort, a country that has handled COVID better than most with new case growth at near-global lows since early June and they also expect to bid for new projects in Korea which would be a positive catalyst. Analysts have an average target for shares of \$56, Citi recently with a \$63 PT and positive on the longer-term story. BAML positive note on 8-10 regarding Macau noting that the recent visa developments are a signal that the worst is behind the region. They think the move by far "the most important catalyst so far for Macau" as it paves the way for gaming demand from the mainland to return. Short interest is 1.6%. Hedge fund ownership surged 35% in Q2. Viking Global adding 8M shares while D1 Capital, Long Pond Capital, Maplelane, and Sirios Capital all notable buys.

Hawk Vision:



Hawk's Perspective: LVS has pulled back to a nice level on a reward/risk basis, though PENN continues to be my preferred gaming name due to its sports betting, media, and US exposure.

Confidence Ranking: \$\$