

Las Vegas Sands Setting Up for Run as Macau Visitation Improves



Date: 3/21/19

Las Vegas Sands (LVS) shares are nearing a range breakout above \$62 and the 233-MA for the first time since July. MACD is starting to turn positive again after pulling back to zero while RSI crossed back above 60 today, ready to run. Long-term, shares have formed a big bottom after trading down from \$77 in 2018 and a low-volume node here stretches back to \$70. LVS has seen a number of bullish trades recently including the April \$60 calls, April \$57.50 calls, and May \$60 Calls. The full snapshot is below.

Date	Description	Volume	Open.Int	Price	%Change	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
3/19/2019	LVS 100 (Weeklys) 12 APR 19 60 CALL	1,019	93	\$1.22	15.09%	0.43	24.62%	40.86%	\$124,318	.LVS190412C60
3/14/2019	LVS 100 18 APR 19 60 CALL	3,291	1,214	\$0.97	-23.02%	0.36	22.44%	33.29%	\$322,518	.LVS190418C60
3/14/2019	LVS 100 18 APR 19 57.5 CALL	661	327	\$2.45	-14.93%	0.68	21.69%	65.48%	\$176,487	.LVS190418C57.5
2/28/2019	LVS 100 17 MAY 19 57.5 PUT	1,044	208	\$2.19	0.92%	-0.325	32.55%	38.51%	\$228,636	.LVS190517P57.5
2/27/2019	LVS 100 17 MAY 19 60 CALL	7,579	184	\$4.05	-8.99%	0.58	30.93%	51.93%	\$3,069,495	.LVS190517C60
2/25/2019	LVS 100 (Weeklys) 1 MAR 19 62 PUT	4,205	209	\$0.95	-19.49%	-0.52	30.00%	53.14%	\$395,270	.LVS190301P62
2/22/2019	LVS 100 21 JUN 19 62.5 CALL	1,712	540	\$3.40	-2.02%	0.472	29.01%	40.88%	\$582,080	.LVS190621C62.5
2/15/2019	LVS 100 18 APR 19 60 CALL	700	305	\$2.60	7.88%	0.5	27.85%	45.81%	\$185,500	.LVS190418C60
2/13/2019	LVS 100 (Weeklys) 1 MAR 19 61 CALL	3,880	292	\$1.15	3.60%	0.44	28.61%	41.27%	\$469,480	.LVS190301C61
2/7/2019	LVS 100 15 JAN 21 45 PUT	2,020	275	\$4.80	10.60%	-0.22	34.46%	41.35%	\$989,800	.LVS210115P45
2/1/2019	LVS 100 21 JUN 19 60 CALL	3,842	12,414	\$3.96	11.55%	0.49	31.38%	41.61%	\$1,521,432	.LVS190621C60
1/24/2019	LVS 100 17 JAN 20 55 CALL	14,601	1,260	\$7.75	1.97%	0.56	35.00%	43.11%	\$11,242,770	.LVS200117C55
1/24/2019	LVS 100 21 JUN 19 60 CALL	12,095	1,253	\$2.97	-16.34%	0.39	33.80%	31.80%	\$3,749,450	.LVS190621C60
1/24/2019	LVS 100 21 JUN 19 50 PUT	12,079	5,768	\$2.69	4.26%	-0.28	37.17%	37.56%	\$3,370,041	.LVS190621P50

The \$47B company trades 17.45X earnings, 3.44X sales, and 10X cash with a nice 5% yield. LVS sees 7% EPS growth in 2020 with 3.8% revenue growth. Sands China is coming off a strong quarter with mass market table win growing 7% to a new quarterly record. Last quarter, they saw growth in both base and premium mass market. They see long-term growth in the region with visitation up 14% for the year and the new \$20B Hong Kong / Zhuhai / Macau bridge (HGZM) which opened in October will help boost numbers as drive-time between the two has been cut to less than an hour. LVS has a big long-term catalyst out there with Japan. The country's parliament approved an historic bill in July which will open up the \$15.8B market to gambling and resorts for the first time. LVS feels like they have an edge over peers given their long-term ties in the region.



Analysts have an average target for shares of \$69 with 7 buy ratings and 6 hold ratings. Short interest is 0.9% and down from 1.6% in October. MSCO raising their Macau outlook on 3/6. Underpinning their improved view is better mass market growth forecast to 7% from 2%, accelerated visitation growth following the HKZM bridge opening as well as the firm's currency strategists' call for the CNY to continue to appreciate against the USD.

Institutional ownership rose 12.5% last quarter.

Trade to Consider: Long the LVS May \$60 Calls for \$3.25 or Better (Looking for a Pullback for Entry)