



FEATURED OPTIONS RADAR REPORT



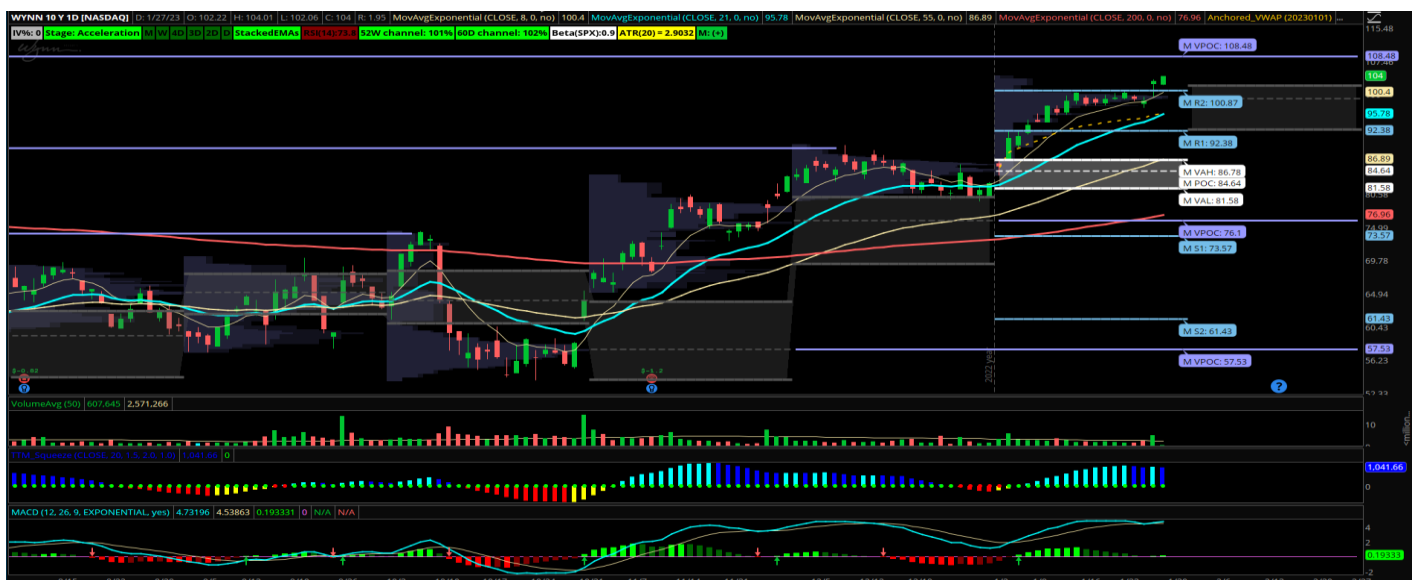
Luxury Casino Resort Seeing Call Buyers Expect Continued Comeback

Ticker/Price: WYNN (\$103.94)

Analysis:

Wynn Resorts (WYNN) on 1/26 saw a large buyer of 1600 June \$110 calls at \$7.25 and over \$1.25M in the name at new highs. This call buyer is confident that the rally continues into midyear buying these calls into strength and it follows a recent opening put sale for 1000 September \$90 puts sold for \$8.70 while last week also seeing 2700 March \$100 bull synthetics opening for \$0.65 net credits. WYNN still has over 1000 Jan 2024 \$115 calls in open interest from buyers the past month at \$12.25 and also size buys in June \$90 ITM calls that have doubled since bought at \$10.60 on 11/28. Shares have been very strong since the October lows near 55 and now nearly doubled from there as casinos see a pickup in China. WYNN has a VPOC target above at 108.50 and then 125 the next major level of resistance. Extended short term here so support below is at 96 where YTD VWAP waits for a pullback and then 87 is a stronger support if there was a dip that far in the coming month. WYNN has a clean uptrend and continues to ride its 21 EMA since the Oct lows. The \$11.7B company trades at 14.7x EBITDA, 4.0x sales, with FCF yield at 3.6% while revenue is expected to grow +40% in FY23 as casinos and travel see a resurgence especially in China. WYNN's segments include Wynn Palace, Wynn Macau, Las Vegas Operations, and Encore Boston. Average analyst target is \$100. Wells Fargo raised its price target this week to \$125 from \$101 and keeps an Overweight rating citing Las Vegas Sands upbeat Macau reopening commentary on the company's Q4 call. The analyst argues that Wynn has a viable path to recapturing most/all of its 2019 VIP EBITDA, despite the absence of junkets, through direct VIP/premium mass play, which he believes is not reflected in the stock. Further, he cites Wynn's smaller scale and premium mass offering that should allow for a speedy recovery, reasonable reopening expectations, and undemanding valuation. BAML raised its target to \$90 from \$85 and says sees attractive valuations, but is concerned estimates may be too high, while Macau is the opposite as estimates are potentially too low but thinks historical valuations could be too high. Short interest is at 7.7%. Hedge fund ownership rose 9.5% last quarter.

Hawk Vision:



Hawk's Perspective: WYNN is strong and making fresh highs but any pullback into February or on earnings mid month would likely be a buy opportunity for continued upside.

Confidence Ranking: \$\$\$