

## SPOTLIGHT OPTION TRADE



### Casino Calls as China Stabilizes with Valuation Cheap

#### TRADE SNAPSHOT

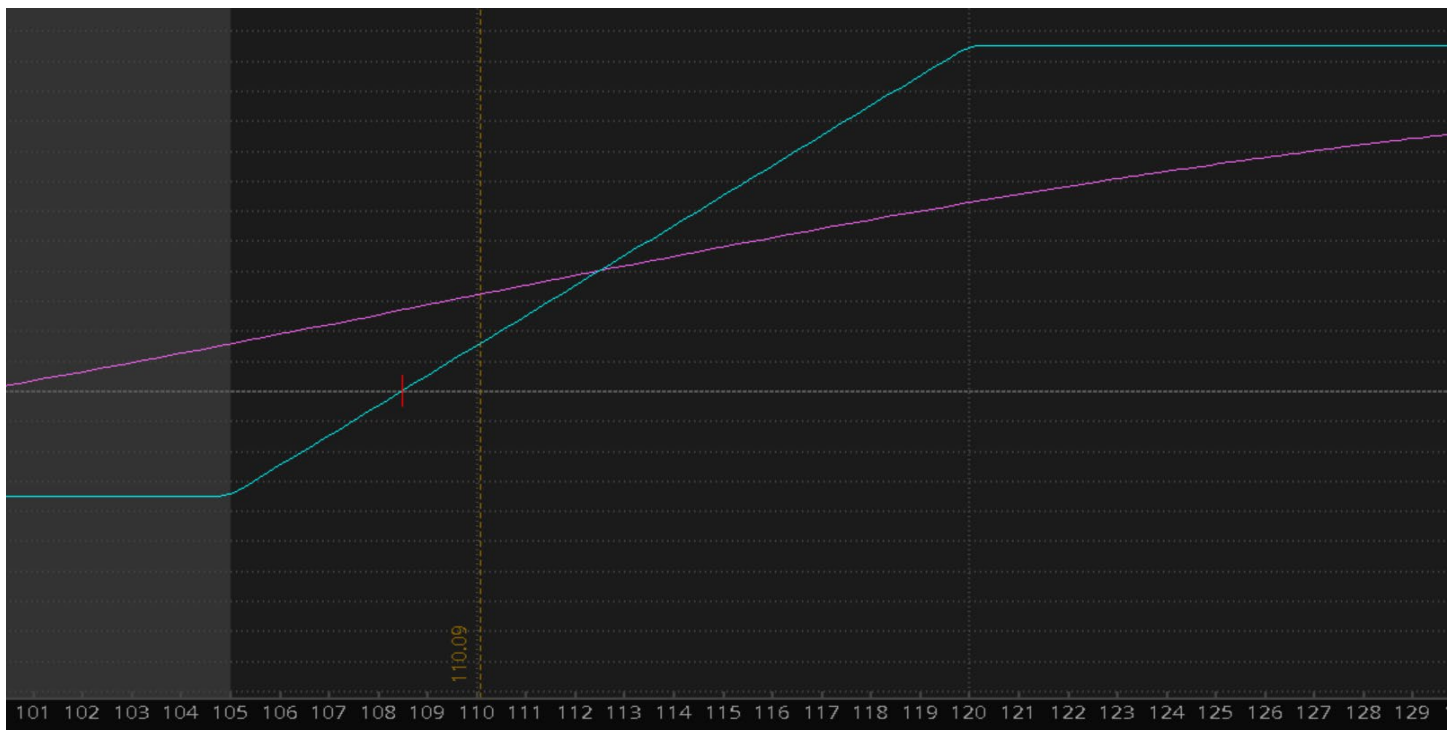
TICKER	WYNN
SECURITY	Wynn Reports
SECTOR	Consumer Cyclical – Casinos and Gaming
CURRENT PRICE	\$100
LONG/SHORT	Long
TARGET	\$120
STOP	\$93
TIMEFRAME	3 Months

**Trading Strategy:** Long WYNN June \$105/\$120 Call Spreads at \$3.50 Debit

**Net Debit/Credit:** Debit \$3.50

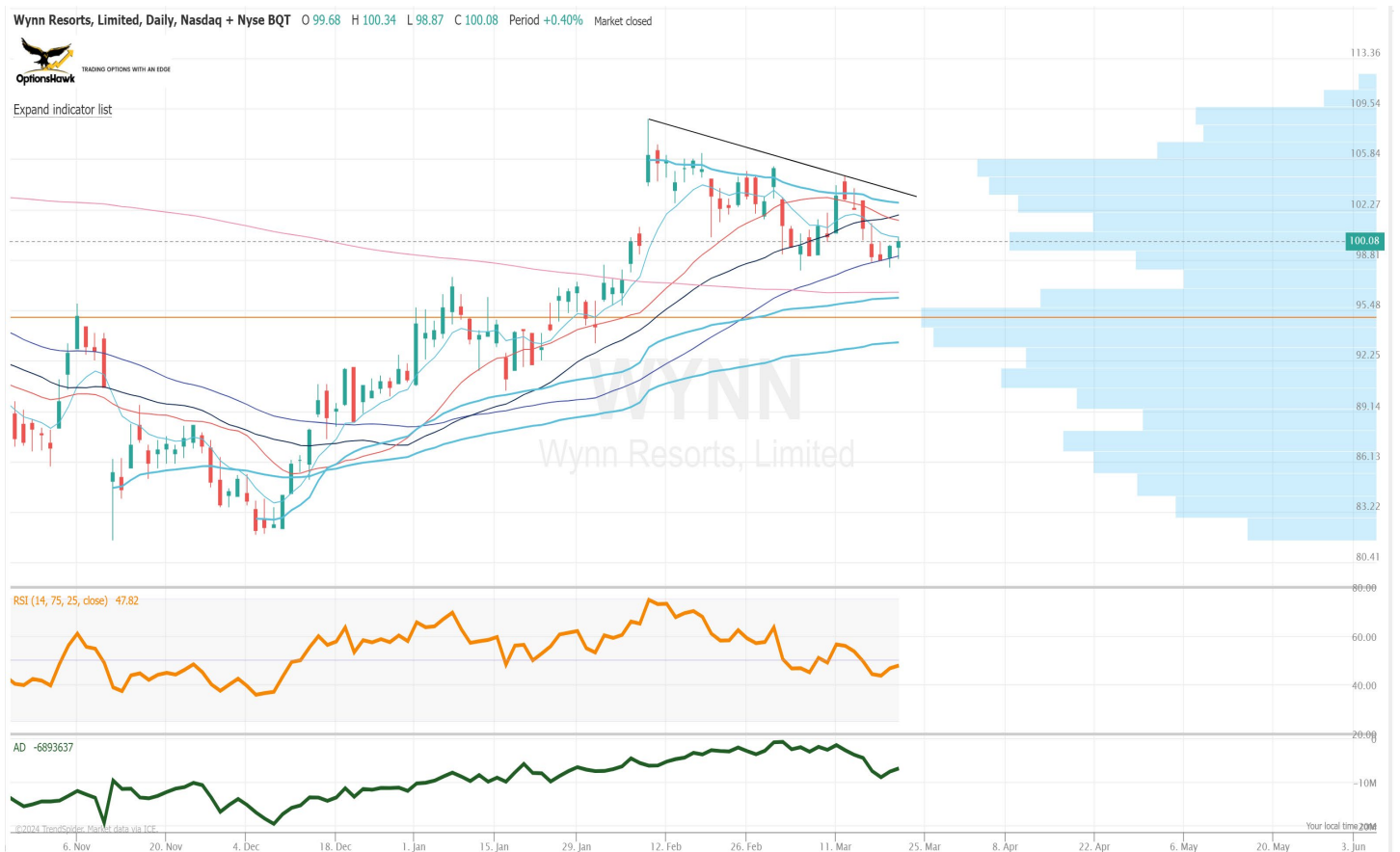
**Profitability Zone:** WYNN Above \$108.50 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** WYNN shares with an orderly pullback following the earnings jump and sit right on 55-MA support with a move back above \$106 the key for an upward break above AVWAP off highs and the flag forming.



**Fundamental Analysis:** WYNN is a preeminent designer, developer, and operator of integrated resorts featuring luxury hotel rooms, high-end retail space, an array of dining and entertainment options, meeting and convention facilities, and gaming establishments. WYNN also has 72% ownership of Wynn Macau. Wynn Interactive's subsidiary operates the digital sports betting app, WynnBET, which is currently operational in New Jersey, Colorado, Michigan, Virginia, Indiana, Arizona, Tennessee, New York, and Louisiana. WYNN has a market cap of \$11.2B and trades just 18.2X Earnings, 8X EBITDA and 14.7X FCF, very cheap on valuation with a 1% dividend yield. WYNN revenues are seen rising 10.2% in 2024 with 9% EBITDA growth despite tough comps. WYNN is coming off a strong quarter and continues to gain share. Management also called out continued strength in forward 2024 bookings/events in Las Vegas and expected February to be a record month across the portfolio with both the Super Bowl and Chinese New Year. New York and the UAE remain development optionality upside. Analysts have an average target of \$123 with short interest at 5% of the float. JPM raised its target to \$127 last month citing cheap valuation and potential inflection in Macau sentiment. Deutsche Bank raised its target to \$132 after WYNN beat on Las Vegas and Macau estimates/

### Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI	Price %	OI %	Current Value
01-05-2024	WYNN	WYNN 100 21 JUN 24 90 CALL	500	\$13.4	344	0.68	35.45%	\$675,000	\$13.6	30,301	▲ 1.49%	▲ 3490.17%	\$41,209,360
02-08-2024	WYNN	WYNN 100 21 JUN 24 90 CALL	29,678	\$20.4	1,266	0.84	33.89%	\$59,356,000	\$13.6	30,301	▼ 33.33%	▼ 2.08%	\$41,209,360
02-06-2024	WYNN	WYNN 100 21 JUN 24 120 CALL	1,002	\$2.38	619	0.23	32.23%	\$238,476	\$1.05	7,540	▼ 56.09%	▲ 365.14%	\$787,930
02-29-2024	WYNN	WYNN 100 19 APR 24 95 PUT	3,363	\$1.05	879	-0.17	30.71%	\$390,108	\$1.23	4,316	▼ 16.67%	▲ 1.74%	\$528,710
02-09-2024	WYNN	WYNN 100 21 JUN 24 110 CALL	2,140	\$6.35	1,025	0.48	30.27%	\$1,369,600	\$2.92	4,199	▼ 54.02%	▲ 32.67%	\$1,226,108
08-14-2023	WYNN	WYNN 100 21 JUN 24 92.5 PUT	300	\$9.2	54	-0.32	39.55%	\$277,500	\$2.93	2,989	▼ 68.15%	▲ 744.35%	\$875,777
02-29-2024	WYNN	WYNN 100 19 APR 24 105 CALL	1,170	\$4.8	1,049	0.53	30.02%	\$567,450	\$1.52	2,776	▼ 68.44%	▲ 25.1%	\$420,564
04-26-2023	WYNN	WYNN 100 17 JAN 25 110 PUT	1,500	\$20.23	376	-0.37	42.8%	\$3,034,500	\$15.35	2,551	▲ 24.12%	▲ 35.98%	\$3,915,785
11-16-2023	WYNN	WYNN 100 17 JAN 25 80 PUT	1,800	\$9.05	1,769	-0.32	37.74%	\$1,638,000	\$3.8	2,514	▲ 58.01%	▼ 29.56%	\$955,320
02-06-2024	WYNN	WYNN 100 19 APR 24 105 PUT	505	\$8.55	157	-0.58	34.57%	\$431,775	\$6.05	2,471	▲ 29.24%	▲ 273.26%	\$1,494,955
03-15-2024	WYNN	WYNN 100 (Weeklys) 22 MAR 24 99 CALL	1,858	\$1.75	564	0.53	30.01%	\$327,008	\$1.66	2,409	▼ 5.14%	▼ 0.54%	\$399,894
03-15-2024	WYNN	WYNN 100 15 NOV 24 115 CALL	1,252	\$6.2	0	0.38	32.32%	\$776,240	\$5.93	1,675	▲ 4.44%	▲ 33.79%	\$992,438
08-01-2023	WYNN	WYNN 100 21 JUN 24 85 PUT	1,640	\$4.85	431	-0.18	40.83%	\$795,400	\$1.31	1,585	▼ 72.99%	▼ 23.47%	\$207,635
03-18-2024	WYNN	WYNN 100 19 DEC 25 77.5 PUT	1,000	\$7.15	637	-0.20	39.88%	\$750,000	\$6.93	1,537	▲ 3.15%	▼ 6.11%	\$1,064,373

**Potential Catalysts:** Monthly Macau Numbers; Earnings Early May

## **Disclaimer:**

### **Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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