

Stocks with Las Vegas ties hammered in rough Wall Street

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Executives and investors of publicly traded companies with a connection to Southern Nevada won't soon forget March 18.

That's the date nearly every gaming company stock tumbled to its 52-week low price.

It also was the first trading day after Gov. Steve Sisolak announced that [Nevada's 441 licensed casinos would close](#) for 30 days.

Wynn Resorts Ltd., Las Vegas Sands Corp., MGM Resorts International, Caesars Entertainment Corp., Boyd Gaming Corp., Red Rock Resorts, Penn National Gaming Inc., Eldorado Resorts Inc. and Full House Resorts Inc. all spiraled to annual lows.

Their real estate investment trusts were not immune, with MGM Growth Properties, VICI Properties Inc. and Gaming & Leisure Properties Inc. (March 19) — affiliated with MGM, Caesars and Penn National, respectively — fell on those days.

Even gaming equipment manufacturers fell: IGT, Scientific Games Corp., Everi Holdings Inc. and Play AGS Inc. faltered.

And, two key airlines for delivering passengers to Las Vegas, Southwest Airlines Co. and Allegiant Travel Co. (March 19), hit bottom then.

Rough ride

Wall Street has been on a rough ride in the past 10 days.

The New York Stock Exchange and Nasdaq showed a glimmer of hope at midweek when it appeared a \$2 trillion stimulus package was on the verge of passage with the Senate voting to move the bill.

There was a slight lull after the highest unemployment drop in history was reported.

But the rally many expected Friday when the [House approved the stimulus package](#) never materialized.

What happened?

“This week was a volatile week for gaming and hospitality stocks that in some cases have not been this low since the Great Recession over 10 years ago,” said Brendan Bussmann, director of government affairs and a partner with Las Vegas-based Global Market Advisors LLC. “While the bump may not have occurred (Friday) after the CARES Act was signed, it came earlier in the week when the package ran through the Senate.”

Bussmann said gaming and tourism stocks can be counted on to come back.

“The gaming industry is a great bet for the long term because of its resiliency and (it) continues to be the comeback kid as it has faced its challenges over the last 20 years,” he said. “The biggest sign for its re-emergence will be when Nevada and the rest of the country opens again and Asia has stabilized.”

Macao an indicator

Carlo Santarelli, a gaming analyst with Deutsche Bank in New York, had similar sentiments and said Macao, where some of the first signals of coronavirus trouble surfaced, could provide an indication of what happens next.

“I think it is very hard to ascribe the day-to-day moves in the casino names to one thing in particular in an environment like this,” Santarelli said in an email. “We have additional quarantines in Guangdong that were announced on Thursday, they are weighing on the larger-cap names with Macao exposure (Friday), while gaming investors are, to a degree, watching the situation in China-Macao to see if there is a game plan for what we can expect domestically once the casinos reopen.”

The fall in share price has been precipitous for several companies that were sporting a 52-week high Feb. 19-21.

Caesars shares were at \$14.74 on Feb. 19, then fell by 357.8 percent to \$3.22 nearly a month later. The company was one of the lucky ones Friday, falling just 2.7 percent, 19 cents, to close at \$6.85.

Golden Entertainment, operator of the Strat, Arizona Charlies' and the PT's Pub chain, was sitting pretty at a 52-week high of \$21.67 a share on Feb. 19. On Monday, it dropped 510.4 percent to its 52-week low of \$3.55. After correcting at midweek, it fell again Friday by \$1.45, 17.9 percent, to close at \$6.64.

Regionals hurt

On Feb. 20, strong regional companies Penn National (\$39.18) and Reno-based Eldorado (\$70.74) were at annual highs. Both plunged to 52-week lows March 18 with Penn down 944.8 percent to \$3.75 and Eldorado, 1,075.1 percent to \$6.02. On Friday, the day Penn announced furloughs this week for 26,000 workers nationwide, including 3,200 in Nevada, the stock fell 11.2 percent, \$1.49, to close at \$11.77, while Eldorado was off 9.8 percent, \$1.65, to close at \$15.14.

Eldorado is still on track [to acquire Caesars Entertainment](#) in the first half of the year.

Everi Holdings, a Las Vegas-based gaming equipment manufacturer, recorded its 52-week high of \$14.88 on Feb. 20 and its 52-week low of \$1.55 on March 18, an 860 percent beating. On Friday, it closed down 25 cents, 7 percent, to \$3.33.

A company becoming connected to Las Vegas, The Madison Square Garden Co., which is building the MSG Sphere at The Venetian, also had a 52-week high on Feb. 20, with shares at \$316.39. They fell 73.4 percent on March 18 to its 52-week low of \$182.47. On Friday, a day after the New York-based company announced the National Basketball Association's Los Angeles Clippers had acquired The Forum in

Inglewood, California, for \$400 million, the stock rose 1 percent, \$2.29, to close at \$236.58.

Locals casinos affected

Las Vegas' locals casino operators Boyd Gaming and Red Rock Resorts, parent company to Station Casinos, also have weathered tough times.

Boyd fell 462.4 percent from its annual high of \$36.22 on Feb. 21 to its annual low of \$6.44 on March 18. On Friday, shares were off 9.6 percent, \$1.62, to \$15.30 a share.

Red Rock was at \$28.62 at its 52-week high on April 17, but tumbled 937 percent to its 52-week low of \$2.76 on March 18. On Friday, it fell \$1.01, 9.2 percent, to close at \$9.93.

Three companies with properties in Macao didn't have 52-week highs in February because that was when the government of Macao ordered a 15-day closure of casinos. All three had their highest numbers on Jan. 17 at the end of a stock rally.

Market leader Las Vegas Sands, which also operates The Venetian, Palazzo and the Sands Expo and Convention Center in Las Vegas, dropped 123.1 percent from the \$74.29 high in January to the \$33.30 low on March 18. On Friday, shares were down \$6.26, 12.9 percent, to \$42.10.

Wynn Resorts, which operates Encore Boston Harbor, Wynn Las Vegas and Encore Las Vegas in addition to three properties in Macao, went down 328 percent from the \$153.41 high of Jan. 17 to the \$35.84 low of March 18. On Friday, Wynn was off \$8.20, 11.5 percent, to \$63.31.

MGM, which partners with businesswoman Pansy Ho in Macao and has 13 resorts and casinos across the U.S., fell 487.1 percent from its high of \$34.64 on Jan. 17 to its low of \$5.90 on March 18. On Friday, it fell \$1.26, 9.4 percent, to close at \$12.19.

Airline stocks hit

Airlines with a large presence at McCarran International Airport also lost ground. In addition to dealing with canceled reservations and a reluctance for passengers to fly during the virus outbreak, airlines had to work around reduced operations resulting from the nearly weeklong closure of the Federal Aviation Administration tower.

Stock for Dallas-based Southwest Airlines, McCarran's market leader, peaked at \$58.83 a share on Feb. 14 but dropped 101.8 percent to \$29.15 a share on March 15. On Friday, shares fell \$4.85, 11.8 percent, to \$36.38 a share.

Las Vegas-based Allegiant had a 52-week high of \$183.26 on Dec. 23 and a \$60.06 low on March 19, a 205.1 percent hit. On Friday, shares dropped \$6.30, 6.5 percent, to close at \$90.91 a share.

Gaming equipment manufacturers weren't immune to the financial carnage.

London-based IGT, which has a large presence in Nevada, fell 352.6 percent from its 52-week high of \$16.25 on Nov. 14 to its 52-week low of \$3.59 on March 18. On Friday, it was off 48 cents, 7.1 percent, to \$6.25 a share.

Las Vegas-based Scientific Games went from \$31.63 on Nov. 8 down 741.2 percent to \$3.76 on March 18. Scientific took the industry's worst beating Friday, dropping \$2.25, 21.2 percent, to an \$8.34 close.

PlayAGS was hammered hardest from its high to its low. The small Las Vegas-based company fell 3,626.1 percent from a 52-week high of \$26.12 on April 23 to 70.1 cents on March 18. On Friday, it dropped 12 cents, 3.4 percent, to close at \$3.40 a share.

Only one other Las Vegas-connected company besides Madison Square Garden gained Friday.

MGM Growth Properties, MGM's affiliated real estate investment trust, was up 0.6 percent, 14 cents, to close at \$22.50 a share. That company fell 200.7 percent from its 52-week high of \$34.37 on Feb. 21 to its 52-week low of \$11.43 on March 18.

The Review-Journal is owned by the family of Las Vegas Sands Corp. Chairman and CEO Sheldon Adelson.

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