

CLUB

We're buying the dip on a casino stock that should be up on strong gaming travel to Macao

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In this article

WYNN -1.48 (-1.43%)



The new Wynn casino and hotel, Macau, China.

Bob Henry | Universal Images Group | Getty Images

We're buying 100 shares of [Wynn Resorts](#) at roughly \$101 each. Following Tuesday's trade, Jim Cramer's Charitable Trust will own 600 shares of WYNN, increasing its weighting in the portfolio to 1.85% from 1.5%.



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Tuesday. The stock appears to be down due to lingering concerns about the Chinese economy, even though the region just capped off a strong Lunar New Year holiday that saw [travel spending exceed pre-Covid levels](#).

According to the Macao Government Tourism Office, total visitors to the Asian gambling hub during the eight-day holiday period numbered about 1.36 million, well above forecasts of around 1 million and above 2019 levels of 1.21 million.

Given the positive update about travel to Macao, a special administrative region of China, you would think Wynn shares would be trading higher on the session. We understand why many have shied away from the stock due to concerns about the Chinese economy, the second-biggest in the world.

However, softness has not shown up in the Macao travel and gross gaming revenue numbers. With Wynn still trading well below pre-pandemic levels despite the ongoing recovery, we think the stock around \$100 represents value for long-term-oriented investors who can stomach the volatility that comes with China.



Wynn Resorts Ltd

RT Quote | Last NASDAQ LS, VOL From CTA | USD

101.75 ▼ -1.48 (-1.43%)

Last | 3:22 PM EST

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QUOTE DETAILS



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Wynn Resorts 5 years

Furthermore, Wynn Results recently reported a [terrific fourth quarter](#). Vegas crushed it with a record Q4 in sales and profit. In Macao, the recovery got back on track after stumbling in the third quarter with margins running higher than 2019 levels despite more work to go on revenues.

On the post-earnings conference call, management gave an optimistic view of the first quarter thanks to the Super Bowl and a strong calendar of groups and conventions. The Super Bowl turned out to be the [most-watched television show in](#)



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the big game. [betting action](#) was also on the charts.

We were impressed by Wynn's strong fourth-quarter results, which led us to [add to our position the next day](#).

(Jim Cramer's Charitable Trust is long WYNN. See [here](#) for a full list of the stocks.)

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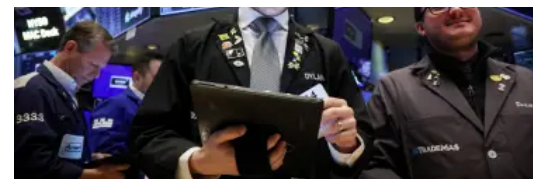


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