

# MACAU WEEKLY ANALYSIS

*LESS BAD YOY BUT ON EASY COMP*

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## CALL TO ACTION

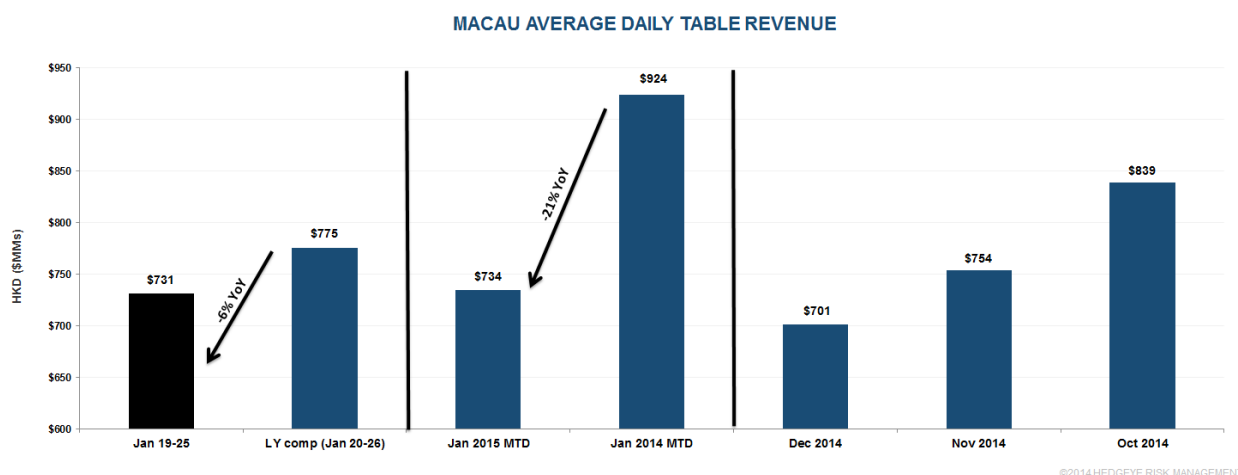
Nothing really to glean from the latest weekly numbers out of Macau – GGR is set to fall more than anticipated when the month began, but in line with our forecast last week. YoY revenue deterioration looks better than the rest of the month but that's due to the easier comparison. Optically, February should be horrible. By our math, the market could fall 35% and that would represent flat sequential volumes from January, seasonally and calendar adjusted.

We do not as of yet see a basing in the fundamentals while the risk of further deterioration remains high. Without a basing combined with cheap valuations or a positive catalyst, entry points remain elusive. We will sit it out for now.

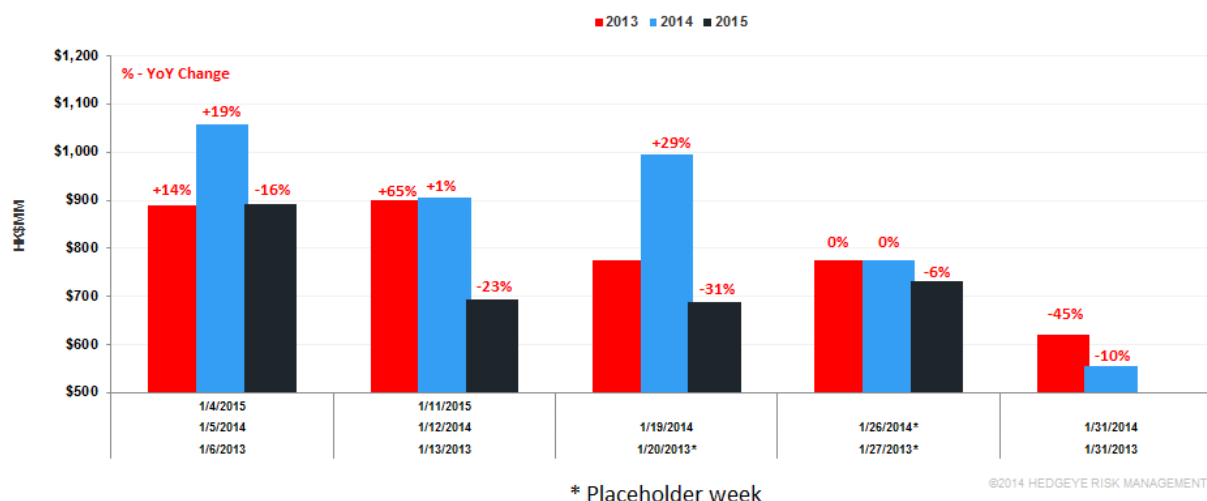
## THE LATEST NUMBERS

For Jan 19-25, daily table revenues (DTR) averaged HK\$731 million, “only” down 6% YoY due to an easy comparison. Table revenues in the comparable week of 2014 were only flat with 2013. Month-to-date, January is down 21%.

We still expect gross gaming revenues for the full month of January 2015 to decline 15-20%, better than the current MTD trend, owing to another easy comparison in the last week of the month (-10%) since it was the week before CNY 2014. For the combined January/February period, we are projecting GGR to drop 23-29%.



MACAU WEEKLY AVERAGE DAILY TABLE REVENUES COMPS



## MARKET SHARES

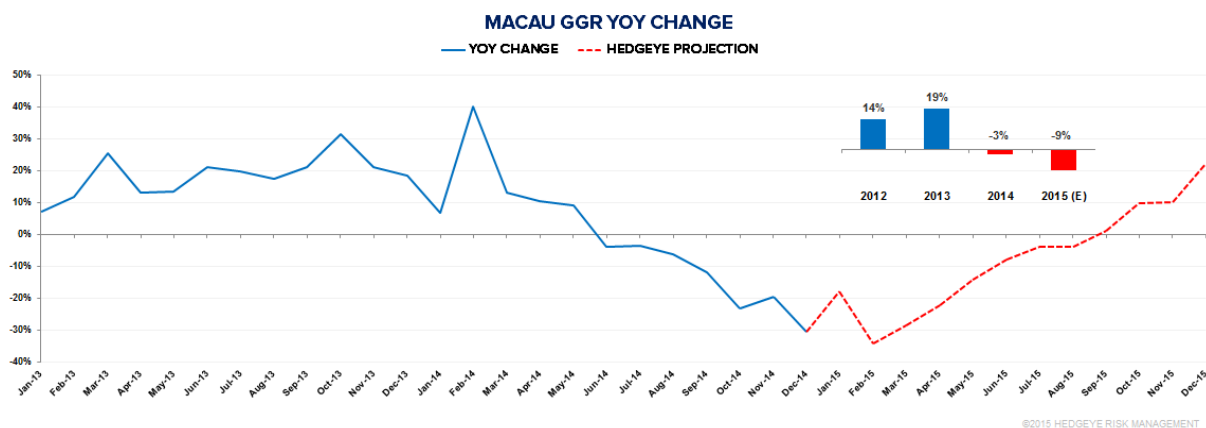
Market shares are little changed from last week with LVS the significant laggard with SJM also struggling this month. Galaxy maintained its strong share at 22.9%, 130bps above trend. Wynn Macau and MPEL continue to generate share above trend but both have moderated since last week.

MACAU JAN 2015 TABLE MARKET SHARE

(in HK\$ millions)		JAN	Trailing			
	HK\$	MTD	3-months	DEC	NOV	OCT
SJM	1,928	22.9%	23.8%	24.3%	23.2%	24.0%
LVS	1,541	18.3%	21.7%	19.5%	22.1%	23.4%
WYNN	968	11.5%	9.2%	10.0%	8.8%	8.7%
MPEL	1,229	14.6%	14.0%	14.8%	13.2%	14.1%
GALAXY	1,928	22.9%	21.6%	21.0%	21.8%	21.9%
MGM	825	9.8%	9.8%	10.4%	10.9%	8.0%
<b>TOTAL</b>	<b>8,421</b>					

## 2015 FORECAST

We don't expect to see positive growth in GGR until Fall 2015, absent any big hold months.



## CONCLUSION

Our view on the stocks is little changed from last week. We're still looking for a base in fundamentals. Visibility on our estimates - below the Street - remains low. With no positive catalysts in sight and looming risks, the stocks may have more room to fall.

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