



**Recommendation: CLOSE**  
**Crown Resorts Limited (CWN)**  
**09/04/2019**

# Crown Resorts Limited - BUY



Share Prices View on 07/02/2019:	Buy
Market Price at time of recommendation:	\$12.16
Target Price:	\$14.10
Stop Loss:	\$11.18
Move SL to break even when market reaches:	\$12.95
Exit Price at time of recommendation:(09/04/2019)	\$14.14
Profit/Loss in percent:	+16.3%

# Crown Resorts Limited Technical

The second half of 2018 was a poor for CWN in which it lost just over 20% from its peak in August to its lowest level in November. From those low levels, 2019 is off to a much better start. The short-medium term trend is positive, making higher lows.



# Crown Resorts Limited Fundamentals

On the 7th of February 2019 we sent out a buy recommendation on Crown Resorts Limited at a price of \$12.16. This was done for the following reasons:

Crown was down nearly 44% from its highs in 2014, in part on the back of problems with the Chinese government. Ten Crown Resorts employees were sentenced to short prison stays in 2017 after being convicted of illegally promoting gambling. More recently Crown had some issues with The Victorian Commission for Gambling and Liquor Regulation.

With these issues bedded down, Crown reported in 2018 Normalised Net Profit after Tax of \$386.8 million, up 12.7%.

The share price of Crown consolidated throughout December 2018 into February 2019. We believed the previous sell-off was overdone and the company represented good value around the \$12 level. With the consolidation in the share price we placed a buy recommended on the company on the 7th of February 2019.

On the 9th of April, Las Vegas giant Wynn Resorts made a takeover offer for Crown Resorts at an implied value of \$14.75 per share. On this news Crown's share gapped up and we sold the stock at \$14.14, a profit of 16.3%.

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