

Markets at a glance

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[US Dollar Index \(DX\)](#)

[Crude Oil \(CL\)](#)

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The Insider Trader

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111 Stock Ideas at New 52 week highs

In this edition we will look at a few of the 111 trading ideas that have been featured here and on the website via my updates or 100% buy list over the last few years. Each stock is at or near a 52 week high or all-time high. These stocks all have a minimum market cap of \$2 billion and average of 1 million shares traded per day so I am looking at mid-cap to larger cap stocks which is why stocks like KKD do not feature in this list. For those that want to using financial spread betting you will find nearly all of these stocks are available as spread bets.

So lets look at a few stocks off the list and we will start with MGM



MGM Resorts- Take a bet on the Las Vegas Comeback. (NYSE:MGM)

They say the only way to make money at the casino is by owning one but those that have been shareholders in MGM Resorts International (NYSE:MGM) the last few years would not agree. MGM has crashed from a 2007 high of

\$100 to a low of \$1 at the height of the crisis in 2009 and have recovered recently to around \$14.

First some history and background and then I will explain why I think MGM could be going much higher.

MGM are mainly a US based gaming company owning casinos such as the MGM, Bellagio, Aria, Mirage, New York New York, Mandalay Bay and Luxor to name a few. They also own 51% of a joint venture in

The list is a fairly diverse range of companies that stays with my theme that the next few months it will be more about individual stocks rather than just what the headline indices do.



ACE, ADM, ADP, AGCO, AGO, ANF, AON, APD, ARCP, BA, BAM, BPO, BSX, BWA, CB, CMA, CREE, CSX, CTRP, DAL, DD, DDR, DIS, DOW, EA, EAT, ECL, EOG, ETN, FCE.A, FIS, FITB, FMCN, FNP, G, GD, GLW, GMCR, GOOG, GPS, HD, HIG, HON, IGT, ILMN, IPG, IRM, ITW, IVZ, JCI, KIM, L, LCC, LEA, LINTA, LM, LNC, LRCX, LULU, LYG, LYV, MAT, MCK, MDT, MGM, MMC, MMM, MON, MU, NLSN, NNN, NOC, NSC, NWL, NWSA, O, OIS, OMC, ORI, P, PAYX, PCAR, PHM, PNR, PXD, QIHU, RDN, RF, RLG, RMD, ROC, RTN, RYL, S, SBUX, SNE, SPG, SPN, TIF, TJX, TRI, TSLA, TSM, TSN, TYC, UBS, URI, WHR, WM, WSM, ZMH

the MGM Macau which is doing well and they are developing another 2,500 room hotel casino on the Cotai Strip also in Macau. Unlike Las Vegas Sands (NYSE:LVS) and Wynn Resorts (Wynn) MGM is still heavily reliant on Las Vegas.

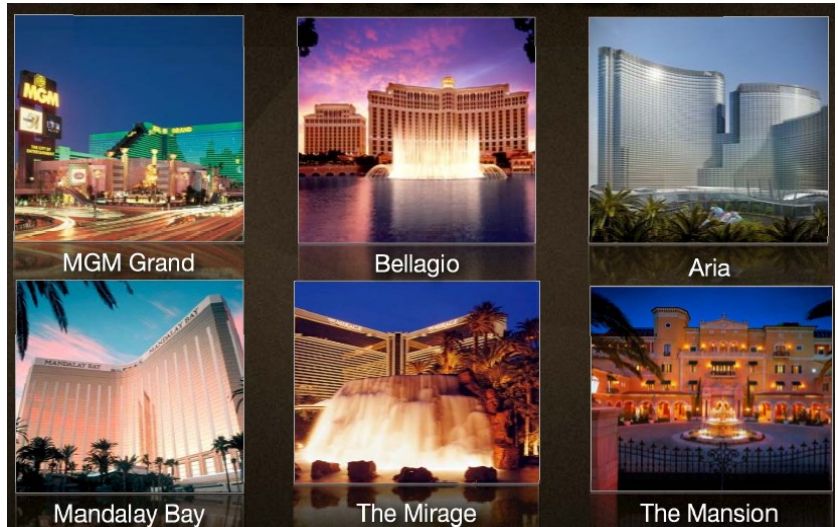
As the US economy sunk so did Vegas, with house prices falling, unemployment soaring you don't go spending money in Vegas. Also Vegas was badly hit by the down turn from MICE (Meetings Incentives, Conferences and Exhibitions) revenue.

MGM did the classic expand at the top of the market and took on massive amounts of debt much of which is at high 13% interest rates. The citycentre project <http://en.wikipedia.org/wiki/CityCenter> in partnership with Dubai World turned out to be a financial disaster and the balance sheet was left in a mess.

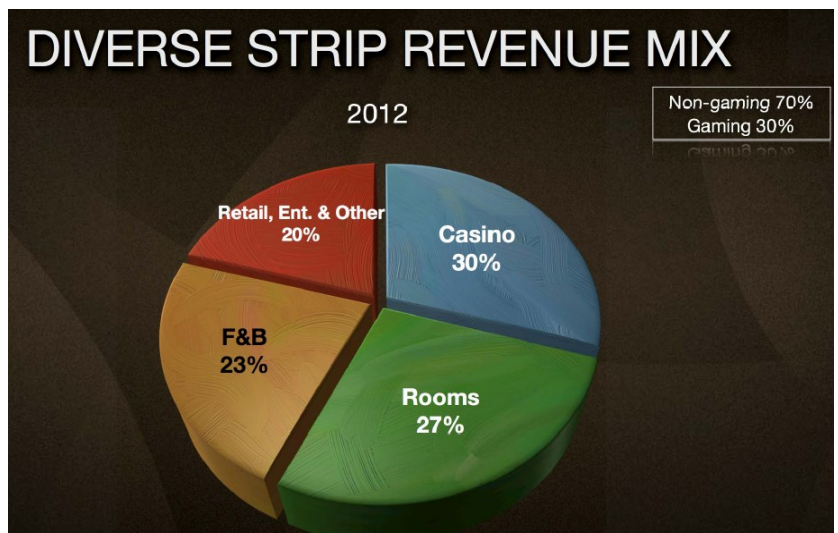
So now let's take a look at why the stock is already bouncing and the better news is on the horizon. MGM has started to refinance some of their expensive debt to lower rates which will be a great weight off the company.

Vegas is starting to comeback, figures just released show that gambling revenue in the US (most of which is Vegas) are getting back to near pre-crisis levels as consumer confidence comes back. Room rates are holding firm with no new hotels opening in the near future the existing hotels can move rates higher. The MICE revenue is coming back as companies are starting to spend again on exhibitions and meetings. Vegas is also attracting a new younger crowd that go to nightclubs (remember Prince Harry?) and they are heavy spenders on drinks and entertainment. Shopping and restaurants are also a big part of Vegas revenue these days.

An extra bonus Billionaire Kirk Kerkorian applied for authority to take his holdings up to 20% from 13% and that will help to mop up some shares.



Below Mix of revenue is far less dependent on gaming than in the past (F&B Food & Beverage)



As for the share price forget about seeing \$100 again but \$20 to \$25 in the next 12 to 18 months is not that outrageous, we need to see a continuation of better earnings, a steady US economy and some good debt refinancing deals to see this stock work its way up.

MGM is available as a financial spread bet, with most companies offering the September and December contract, I would favour the December. You can also buy the stock and there is an active traded options market in MGM. On the subject of gaming stocks a smaller regional player worth watching is Isle of Capri (ISLE) they operate regional riverboat casinos in Louisiana, Mississippi, Missouri, Iowa, Colorado and Florida. Its more regional low roller business but just like MGM is seeing business pick up. Next results are

due 6th June. In similar area is IGT which makes slot machines and other gaming equipment also showed up on the 52 week highs.

Hartford Financial (HIG)

HIG was Featured in February 2012 was \$15 I said we would see \$25 we are now just short of \$30.

HIG is still turning around the book per share is \$48 and that may be conservative as some of the assets they own must have gone up in the last 12 months and this stock could unlock a lot more value, if you have held it for the last 12 months or so you will know it has not been a straight line but we have made just under 100%. If HIG can carry on turning around concentrating on the core businesses no reason why we don't see \$40 by this time next year.



Artists impression of The new MGM in Macau is due to open 2016 on the Cotai strip.

2 FEB
Hartford Financial Services (NYSE:HIG) – Hated by Wall Street – I see value
 Hartford Financial Services (NYSE:HIG) – Hated by Wall Street – I see value
 I have just bought a small amount of stock in Hartford Financial Services (NYSE:HIG) which is loathed by most but I see some value here. This is the first time I have ever owned this stock.

Also worth a mention is MET Metlife, this is also an insurance company trading below the book value of \$59, share is trading at \$41 and giving a 2.67% yield. I would say Metlife could get back up to \$50. As the chart shows Metlife was hit hard in the financial crisis but the business is coming back just as AIG are. The whole insurance business is looking better. There is an Insurance ETF (IAK) which has an 8% exposure to MET you can see the factsheet here http://us.ishares.com/product_info/fund/overview/IAK.htm



TJX

Designer Labels for less company TJX (which I include in my new book *The Millionaire Dropout*) powered to a new all time high. Short term we may see a pullback the company continues to do well both in the US and UK with offering designer clothing labels for less as well as household items. Yes the share price has shot up but so have the earnings so the P/E is not that outrageous currently 19 coming down to 16.

TJX - Tjx Companies - Monthly OHLC Chart



News International (NWSA)

We bought News Corp just after the hacking scandals hit in the UK and the News Of The World was closed down. I stated at the time *"Whilst you may not be a fan of the Murdoch media and the various hacking practices, the business does remain very profitable and seem to have shrugged off those problems. NWS is a massive media company owning Harper Collins, FOX TV, 20th Century Fox Films, major stake in SKY, Wall Street Journal, Sun, Times, Dow Jones and New York Post to name a few."*

NWSA - News Corp. - Monthly OHLC Chart



Stock is at an all time high of \$33 and is due to split in to two companies, new media/TV and the old newspaper business. News Intl remains an extremely powerful if not monopoly media company and I would not bet against the Murdochs.

Elsewhere in media Liberty Media (LINTA) Comcast (CMCSA) and Time Warner (TWX) all near new 52 week highs.

Risk Warning All trading and investing involves risk and you should only invest what risk capital that you can afford to lose. These trading ideas are based on buying Exchange Trading Funds or stocks outright, should you decide to spread bet then other risks will be present. Only speculate with money you can afford to lose. Spread betting may not be suitable for all readers, therefore ensure you fully understand the risks involved. Past performance is not necessarily a guide to future performance. Ultimately all investment decisions are made by you. Insider Trader does not advise when to open or close a transaction. If you choose to open a transaction it is based on your own judgement and research and at your own risk. It is the responsibility of visitors to this Site to ascertain the terms of and comply with any local law or regulation to which they are subject.