

Moody's: Gaming business gains may stall

By Steve Green, Las Vegas Sun

Moody's Investors Service today warned that the stagnant U.S. economy could hurt the casino industry and that some newly opened casinos appear to be taking market share from competitors as opposed to growing the market.

In a "special comment" called "A More Cautious Consumer Steps Away from the Casino," the debt-rating company said companies that could be hurt by these trends include Caesars Entertainment Corp., Cannery Casino Resorts LLC and CityCenter Holdings, all in Las Vegas.

These are among the companies that are highly leveraged or facing significant near-term debt maturities that will have to be paid off or refinanced.

"Improving U.S. gaming revenue trends in place since the middle of last year appear to be stalling," Moody's said in its report. "Momentum began to slow in March, and then in May most jurisdictions reported outright declines in gaming revenue. That, along with weakness in consumer confidence, employment and retail sales, indicates the rebound in gaming has a high probability of stalling."

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