



Stars Group Inc. Surges 9.4% in a Day on U.S. Supreme Court Ruling in Favour of Legalized Sports Betting

Description

It's official. **Stars Group Inc.** (TSX:TSGI)(NASDAQ:TSG) stock is on fire after shares surged as high as 13.6% intraday to finish up 9.4% following news that the U.S. Supreme Court is poised to demolish the ban placed on sports betting for many U.S. states.

The Supreme Court's greenlight of sports betting across the country is a huge deal for Stars Group, which has aggressively made moves to [break in to the sports betting industry](#) to diversify away from its promising poker foundation.

According to a study conducted by the American Gaming Association, approximately \$150 billion in illegal sports bets are wagered by Americans on an annual basis. The days of placing shady bets with a bookie may be coming to a close as Stars Group looks to take a dominant position in the sports betting scene, as it has with its online poker offerings.

Not only is Stars Group poised to capture a huge slice of the U.S. sports betting pie, but it's likely that through the leveraging of technology, Stars Group will be able to increase participation among sports fans through various marketing campaigns and aggressive promotions aimed at all audiences, including non-gambling sports fanatics who wouldn't be caught placing such bets at a Las Vegas casino.

The ruling will stand to be a profound driver of top- and bottom-line growth for Stars Group and a massive gut punch to Vegas-based casino operators that have relied on the fact that Nevada was essentially the only place where one could legally place a sports bet within the confines of the U.S.

There's no question that the convenience and enhanced experience of an online sports betting platform could entice many non-gamblers to place a bet on their favourite sports team; thus, investors need to ensure that Stars Group is in line with their moral values. Sin stocks, like Stars Group, can really give your portfolio a boost, but such a name is not suitable for everyone — especially those with a low risk tolerance and a preference for socially responsible businesses.

If you're comfortable with sinning, though, Stars Group is a [great long-term bet](#), and at just ~28 times trailing earnings, valuations aren't nearly as absurd compared to marijuana stocks!

Legal sports bets could start being placed as early as a few weeks from now, so maybe, just maybe, Americans from coast to coast will have the opportunity to wager on the Winnipeg Jets winning the Stanley Cup!

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