



Stocks to watch out for this week

Monday, October 23rd 2017

We reveal 40 stocks that are heavily targeted by short sellers ahead of earnings announcements

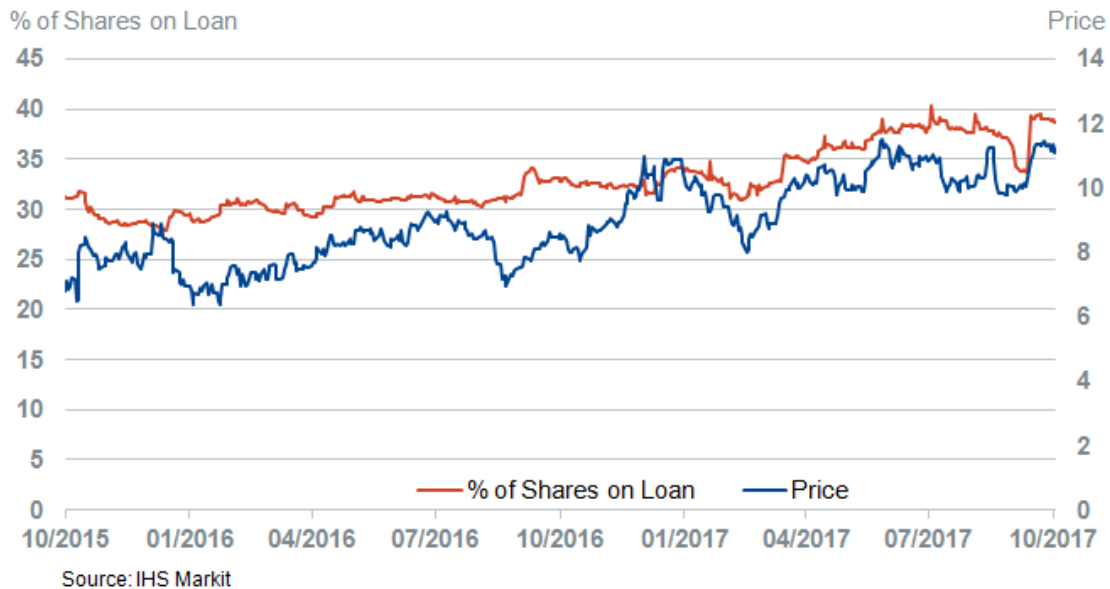
- Mattel short sellers multiply since the Toys R Us bankruptcy
- Norwegian Air targeted by short sellers after war of words with Ryanair
- BYD short sellers willing to double down in the face of its recent rally

North America

Name	Industry	Ticker	Report Day	% Shares Outstanding On Loan	1 Month % Change
Iridium Communications Inc	Diversified Telecommunication Services	IRDM	Thursday	38.8	14%
Invacare Corp	Health Care Equipment & Supplies	IVC	Thursday	32.9	16%
Allegheny Technologies Inc	Metals & Mining	ATI	Tuesday	31.2	8%
Banc Of California Inc	Banks	BANC	Thursday	30.7	13%
Core Laboratories Nv	Energy Equipment & Services	CLB	Monday	29.8	7%
Greenbrier Companies Inc	Machinery	GBX	Tuesday	29.3	20%
Mimedx Group Inc	Biotechnology	MDXG	Friday	27.4	27%
Bofi Holding Inc	Thriffs & Mortgage Finance	BOFI	Wednesday	27.2	1%
Acadia Healthcare Company Inc	Health Care Providers & Services	ACHC	Tuesday	27.1	0%
Vishay Intertechnology Inc	Electronic Equipment, Instruments & C	VSH	Thursday	27.0	43%
Mattel Inc	Leisure Products	MAT	Thursday	25.4	52%
Verisign Inc	Internet Software & Services	VRSN	Thursday	24.5	7%
Westinghouse Air Brake Technolo	Machinery	WAB	Tuesday	22.0	1%
Gnc Holdings Inc	Specialty Retail	GNC	Thursday	21.4	7%
Chicago Bridge & Iron Company N	Construction & Engineering	CBI	Wednesday	21.3	-16%

The company seeing the largest portion of its shares out on loan this week, satellite phone operator Iridium, is literally out of this world.

Iridium Communications Inc



Although the company's current short interest is stratospheric, a large part is likely due to reasons other than directional shorting: Iridium has relied heavily on convertible bonds and preference shares to fund its new satellite constellation. The few Iridium directional short sellers are also likely to be rueing their decision – Iridium's shares surged to new multi-year highs after the company's last earnings update delivered better than expected numbers.

Invacare – the second most shorted company announcing earnings this week – has also relied heavily on convertible bonds to fund itself. However, a large part of its short interest is most likely directionally-driven. Short sellers are also increasing their positions in Invacare since the company's last set of earnings missed expectations. While Invacare shares have traded largely flat since these disappointing earnings, short sellers think that the lull won't last forever, and they have more than doubled their positions.

The last month has also seen short sellers circle round toymaker Mattel, which has seen the demand to borrow its shares jump by over 50%. Mattel has the shock Toys R Us bankruptcy to thank for this deterioration in investor sentiment (since the firm was its largest distribution partner).

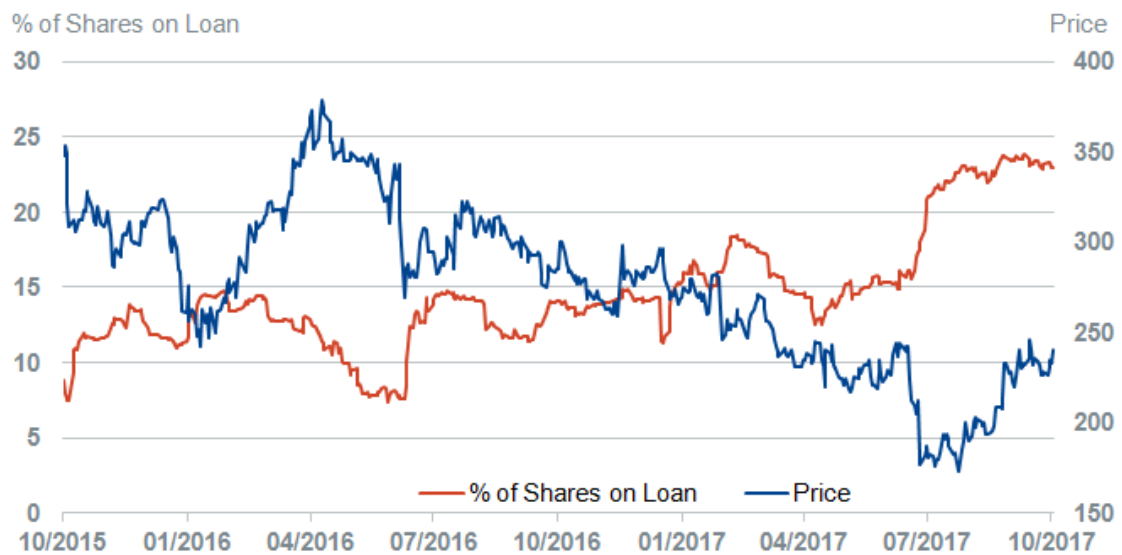
Mattel shares have lost more than a quarter of their value since Toys R Us announced its bankruptcy filing, but bears aren't going anywhere. The demand to borrow the company's shares has continued to climb with every new low registered.

Europe

Name	Industry	Ticker	Report Day	% Shares Outstanding On Loan	1 Month % Change
Norwegian Air Shuttle Asa	Airlines	NAS	Thursday	23.1	-3%
Petroleum Geo Services Asa	Energy Equipment & Services	PGS	Thursday	18.1	14%
Distribuidora Internacional De Alim	Food & Staples Retailing	DIA	Thursday	13.7	0%
Fingerprint Cards Ab	Electronic Equipment, Instruments & C	FING B	Thursday	12.7	-17%
Saipem Spa	Energy Equipment & Services	SPM	Tuesday	12.6	-1%
Amer Sports Oyj	Leisure Products	AMEAS	Thursday	11.2	-20%
Ams Ag	Semiconductors & Semiconductor Equ	AMS	Monday	9.8	-5%
Huhtamaki Oyj	Containers & Packaging	HUH1V	Thursday	8.9	-1%
Fred Olsen Energy Asa	Energy Equipment & Services	FOE	Wednesday	8.5	-12%
Yit Oyj	Construction & Engineering	YTY1V	Friday	8.4	25%
Debenhams Plc	Multiline Retail	DEB	Thursday	6.9	2%
Xxl Asa	Specialty Retail	XXL	Wednesday	6.5	13%
Redefine International Plc	Equity Real Estate Investment Trusts (RDI		Thursday	6.3	-9%

Europe's top short this week is perennial short Norwegian Air Shuttle. Nearly a quarter of its shares are out on loan ahead of Thursday's earnings announcement. Norwegian has been tied up in a war of words with fellow budget airline Ryanair over the last few weeks; its arch rival flung accusations of pilot poaching that forced Ryanair to cancel thousands of flights.

Norwegian Air Shuttle Asa



Source: IHS Markit

Ryanair shares lost more than 10% of their value since the news broke, but short sellers think that Norwegian will offer the most downside going forward. Nearly a quarter of Norwegian's shares are being shorted, while less than 1% of Ryanair shares are now out on loan.

The largest European short play outside of Scandinavia this week is Spanish grocer Distribuidora Internacional De Alimentacion (DIA). The recent troubles in Catalonia have dragged down the value of the company's shares, however, short sellers

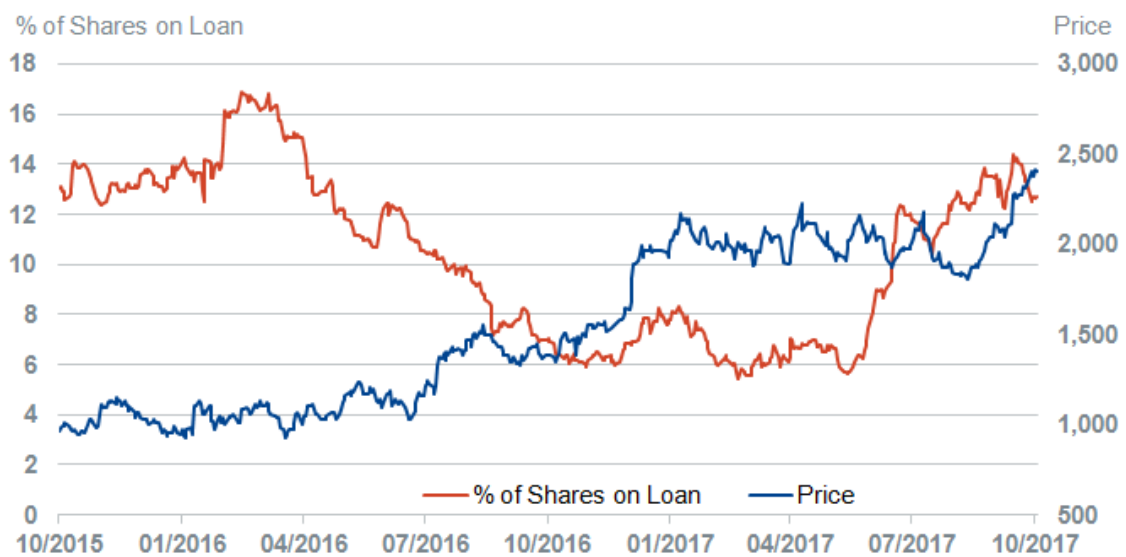
haven't taken the opportunity to add to their positions. The demand to borrow DIA shares has remained flat over the last month.

Asia

Name	Industry	Ticker	Report Day	% Shares Outstanding On Loan	1 Month % Change
Advantest Corp	Semiconductors & Semiconductor Eq	6857	Wednesday	12.6	-6%
Hyundai Wia Corp	Auto Components	011210	Friday	11.4	10%
Byd Co Ltd	Automobiles	1211	Friday	11.1	13%
Monotaro Co Ltd	Trading Companies & Distributors	3064	Friday	11.1	40%
Aluminum Corp Of China Ltd	Metals & Mining	2600	Thursday	10.1	2%
Radiant Opto-Electronics Corp	Semiconductors & Semiconductor Eq	6176	Friday	9.8	5%
Great Wall Motor Co Ltd	Automobiles	2333	Thursday	9.7	8%
Innolux Corp	Electronic Equipment, Instruments & C	3481	Friday	9.2	-1%
Sumida Corp	Electronic Equipment, Instruments & C	6817	Friday	8.7	17%
Au Optronics Corp	Electronic Equipment, Instruments & C	2409	Thursday	8.5	-3%
Chailease Holding Co Ltd	Diversified Financial Services	5871	Wednesday	8.5	43%
Gs Engineering & Construction Co	Construction & Engineering	006360	Thursday	8.0	-7%

Semiconductor test equipment firm Advantest is the most shorted Asian firm announcing earnings this week; nearly 13% of its shares are now out on loan. Short sellers have more than doubled their positions in Advantest following its last earnings announcement. Revenue and profit results failed to live up to expectations, analysts think Advantest's recent setback is only a passing trend. They are forecasting the firm to post a healthy 15% increase in revenue – yet the company's surging short interest proves this rosy forecast also has plenty of thorns.

Advantest Corp



Source: IHS Markit

Hong Kong traded BYD takes the last step on this week's most shorted Asian companies announcing earnings. Short sellers have remained relatively steadfast in

BYD over the last few months – despite a rally which has seen the company’s shares surge by more than 70%. Shorts will find it increasingly hard to double down in BYD since its current short interest represents more than 80% of lendable shares.

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