

Most shorted ahead of earnings

We review how short sellers are reacting to the companies due to announce earnings in the week to come.

- Trina Solar is the most shorted company ahead of results despite recent talk of a shortage of solar panels
- Norwegian salmon producer Marine Harvest sees the largest jump in short interest ahead of earnings after the Russian import ban
- Australian and Honk Kong firms make up the most shorted Asian firms ahead of earnings, led by Weichai Power

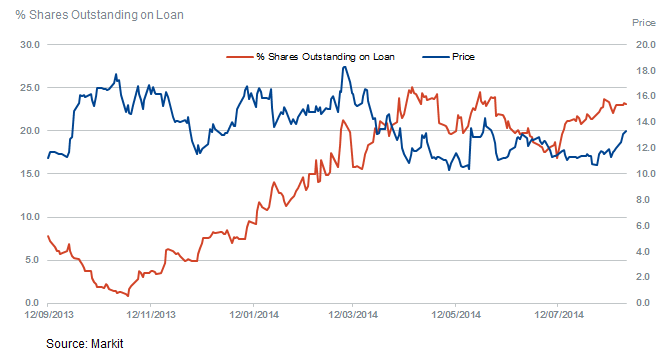
North America

The second quarter earnings season starts to slow down next week, with fewer than 200 firms seeing any demand to borrow ahead of results. On the heavily shorted side, there are 20 firms seeing more than 6% of their shares out on loan.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Trina Solar ADR Reptg 50 Ord	Semiconductors & Semiconductor Eq	TSL	8/26/2014	23.1	11%
Smith & Wesson Holding Corp	Leisure Products	SWHC	8/26/2014	19.6	-1%
Zoe'S Kitchen Inc	Hotels, Restaurants & Leisure	ZOES	8/28/2014	19.6	27%
Bio-Reference Laboratories Inc	Health Care Providers & Services	BRLL	8/27/2014	17.8	-14%
Corinthian Colleges Inc	Diversified Consumer Services	COCO	8/29/2014	16.8	-9%
Abercrombie & Fitch Co	Specialty Retail	ANF	8/28/2014	16.3	22%
Sanderson Farms Inc	Food Products	SAFM	8/26/2014	15.0	33%
Wet Seal Inc	Specialty Retail	WTSL	8/26/2014	13.9	1%
Delia'S Inc	Internet & Catalog Retail	DLIA	8/27/2014	13.5	-9%
Immunomedics Inc	Biotechnology	IMMU	8/25/2014	13.0	-4%
Bob Evans Farms Inc	Hotels, Restaurants & Leisure	BOBE	8/26/2014	11.4	-14%
Yingli Gm Egy Hldg ADR Reptg One	Semiconductors & Semiconductor Eq	YGE	8/27/2014	7.8	-3%
Amira Nature Foods Ltd	Food Products	ANFI	8/28/2014	7.5	5%
Veeva Systems Inc	Health Care Technology	VEEV	8/28/2014	7.4	-12%
Aruba Networks Inc	Communications Equipment	ARUN	8/26/2014	7.3	-14%
Laurentian Bank Of Canada	Banks	LB	8/28/2014	7.3	-9%
Nimble Storage Inc	Technology Hardware, Storage & Perip	NMML	8/26/2014	6.8	1%
Heico Corp	Aerospace & Defense	HEI	8/26/2014	6.8	11%
Rally Software Development Corp	Software	RALY	8/28/2014	6.8	15%
Destination XI Group Inc	Specialty Retail	DXLG	8/28/2014	6.2	28%

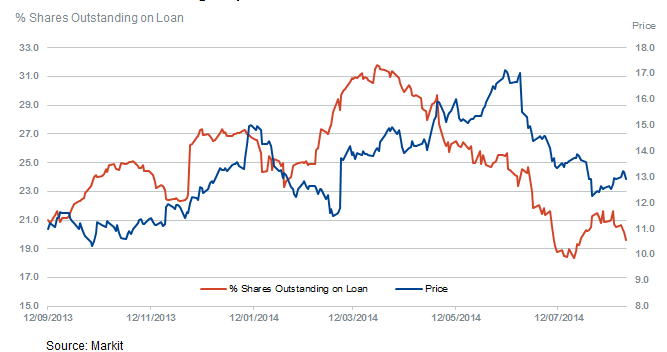
Trina Solar sees itself as the most shorted company announcing earnings in North America this week with 23% of the company's ADR line currently out on loan. This heavy demand to borrow comes despite recent rumours of a possible shortage of solar panels, as global installations are expected to swell by nearly a third according to a recent [Bloomberg](#) report. Shorts have held the course in this name despite the recent improving pricing power of solar manufacturers with demand to borrow climbing 11% in the last four weeks.

Trina Solar ADR Reptg 50 Ord



Another interesting short ahead of results is Smith & Wesson which is the second most shorted company announcing results this week. The fact that rival Sturm Ruger saw a fall in income from the previous year in its latest earnings will only embolden short sellers which have nearly doubled their positions in the last 12 months.

Smith & Wesson Holding Corp



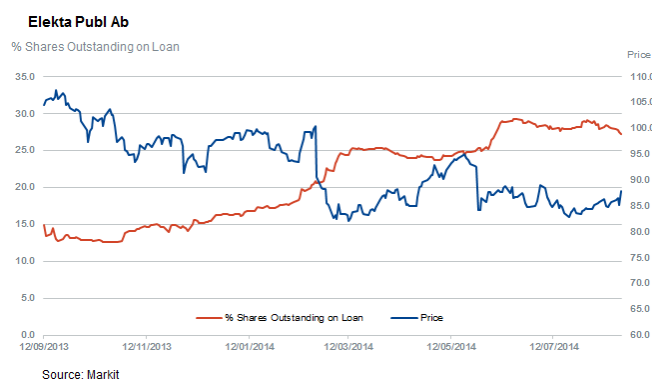
The company seeing the largest surge in demand to borrow is chicken manufacturer Sanderson farm which has seen short interest surge by a third in the four weeks leading up to results. The company now finds itself with the largest amount of short interest in over two and a half years despite a recent buoyant share price, as analysts are forecasting a strong rise in results.

Europe

Europe sees relatively robust earnings activity next week with 17 firms seeing 5% or more of their shares out on loan ahead of results.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Elekta Publ Ab	Health Care Equipment & Supplies	EKTA B	8/28/2014	27.3	-3%
Gemalto Nv	Software	GTO	8/28/2014	21.4	1%
Petropavlovsk Plc	Metals & Mining	POG	8/28/2014	16.0	6%
Eurobank Ergasias Sa	Banks	EUROB	8/29/2014	15.3	-29%
Thrombogenics Nv	Biotechnology	THR	8/28/2014	10.8	-6%
Golden Ocean Group Ltd	Marine	GOGL	8/27/2014	9.7	12%
Royal Imtech Nv	Construction & Engineering	IM	8/26/2014	9.0	-12%
Seadrill Ltd	Energy Equipment & Services	SDRL	8/27/2014	9.0	-32%
Portugal Telecom Sgpps Sa	Diversified Telecommunication Services	PTC	8/29/2014	7.9	-33%
Hansteen Holdings Plc	Real Estate Investment Trusts (REITs)	HSTN	8/27/2014	7.5	-2%
Marine Harvest Asa	Food Products	MHG	8/27/2014	7.3	51%
Conwert Immobilien Invest Sa	Real Estate Management & Development	CWI	8/27/2014	7.1	1%
Evs Broadcast Equipment Sa	Communications Equipment	EVS	8/28/2014	6.8	-6%
Brunello Cucinelli Spa	Textiles, Apparel & Luxury Goods	BC	8/27/2014	5.6	12%
Bwin Party Digital Entertainment	Hotels, Restaurants & Leisure	BPTY	8/29/2014	5.6	17%
Apr Energy Plc	Independent Power and Renewable Ele	APR	8/27/2014	5.6	-35%
Petrofac Ltd	Energy Equipment & Services	PFC	8/26/2014	5.0	13%

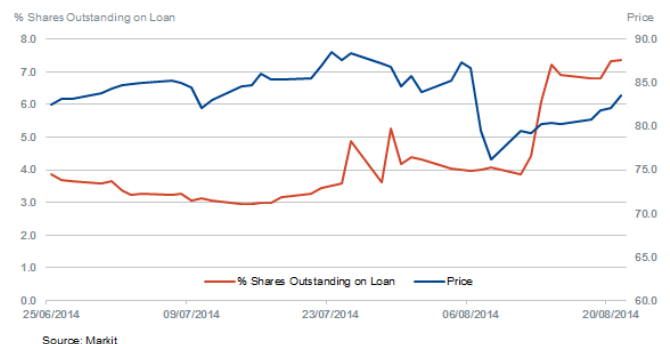
Topping the list as the most shorted firm ahead of results in the region is cancer care firm Elekta which has 27% of its shares out on loan, making it the most shorted company announcing earnings globally. Elekta has been no stranger to short sellers recently, and its disappointment results last time it announced earnings has seen short increase their positions to new all-time highs over the last three months.



Another firm seeing extremely high demand to borrow is Gemalto which has 21.4% of shares out on loan. The secure payment firm has seen heavy demand to borrow over the last 12 months.

The company seeing the largest surge in shorting activity ahead of results is salmon producer Marine Harvest which has seen shorts surge in the wake of Russia's recent ban on European food imports. While the recent ban came too late to impact the firm's current quarter, analysts have trimmed their forecasts for Marine Harvest's upcoming quarter as Russia was responsible for a small but growing portion of the firm's revenue.

Marine Harvest Asa



In the UK, Petropavlosk has seen shorts rebound in recent months.

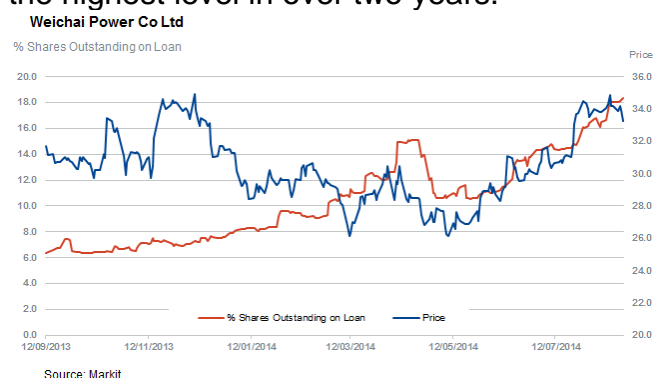
Asia

Asia also sees plenty of earnings activity with 20 firms seeing more than 7% of shares out on loan ahead of earnings.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Weichai Power Co Ltd	Machinery	2338	8/29/2014	18.4	22%
Atlas Iron Ltd	Metals & Mining	AGO	8/28/2014	14.6	14%
Ugl Ltd	Construction & Engineering	UGL	8/25/2014	13.5	83%
Aluminum Corp Of China Ltd	Metals & Mining	2600	8/28/2014	12.4	53%
Paladin Energy Ltd	Oil, Gas & Consumable Fuels	PDN	8/28/2014	11.2	-13%
Yanzhou Coal Mining Co Ltd	Oil, Gas & Consumable Fuels	1171	8/24/2014	11.0	16%
China Shipping Container Lines Cr Marine		2866	8/28/2014	9.6	-4%
Evergrande Real Estate Group Ltd	Real Estate Management & Development	3333	8/26/2014	9.3	7%
Gcl-Poly Energy Holdings Ltd	Semiconductors & Semiconductor Eq	3800	8/28/2014	9.3	10%
China Singyes Solar Technologies	Construction & Engineering	750	8/28/2014	9.2	21%
China Cosco Holdings Co Ltd	Marine	1919	8/28/2014	9.1	3%
Whitehaven Coal Ltd	Oil, Gas & Consumable Fuels	WHC	8/27/2014	8.3	0%
Boart Longyear Ltd	Construction & Engineering	BLY	8/26/2014	8.2	-7%
M2 Group Ltd	Diversified Telecommunication Services	MTU	8/25/2014	8.1	44%
Drillsearch Energy Ltd	Oil, Gas & Consumable Fuels	DLS	8/27/2014	7.9	10%
Ausdrill Ltd	Construction & Engineering	ASL	8/29/2014	7.8	1%
Mesoblast Ltd	Biotechnology	MSE	8/29/2014	7.7	7%
China Railway Construction Corp L	Construction & Engineering	1186	8/29/2014	7.6	13%
Aac Technologies Holdings Inc	Electronic Equipment, Instruments & C	2018	8/27/2014	7.2	6%
Bc Iron Ltd	Metals & Mining	BCI	8/28/2014	7.1	381%

Hong Kong-based and Australian firms split the list of the most shorted firms in the lead up to results.

Hong Kong is led by Weichai Power which has 18% of its shares out on loan. The recent set of downbeat PMI numbers have seen shorts increase their borrow of Weichai shares by over a fifth in the last four weeks to the highest level in over two years.



Another firm seeing a high increase in short interest in the lead up to results is Yanzhou Coal which has seen demand to borrow shoot up by 16% in the last month. No doubt driving this surge in shorting activity is the recent announcement by the Chinese government that it intends to phase out coal power generation in the Beijing area over the coming years.

In Australia, metals and mining shares and their support industries are the key focus of short sellers with Atlas Iron leading the pack with just under 15% of shares out on loan.

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