

Most shorted ahead of earnings

A review of how short sellers are positioning themselves in companies due to announce results in the coming week.

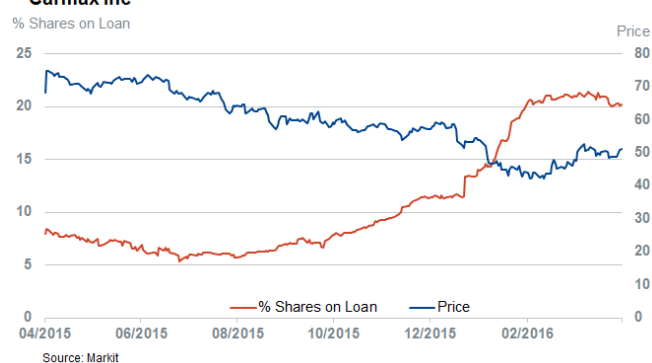
- Carmax leads the five retailers seeing heavy short interest ahead of earnings
- Wirecard is the most shorted company announcing earnings next week
- Japanese machinery maker Osg is the most shorted of the 19 Asian companies prior to earnings

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Carmax Inc	Specialty Retail	KMX	4/7/2016	20.2	-5%
Synergy Resources Corp	Oil, Gas & Consumable Fuels	SYRG	4/7/2016	17.8	31%
Greenbrier Companies Inc	Machinery	GBX	4/5/2016	16.5	11%
Aerojet Rocketdyne Holdings Inc	Aerospace & Defense	AJRD	4/7/2016	13.4	-3%
Emerald Oil Inc	Oil, Gas & Consumable Fuels	EOXLQ	4/6/2016	11.7	1%
Bed Bath & Beyond Inc	Specialty Retail	BBBY	4/6/2016	10.4	-9%
Ollie'S Bargain Outlet Holdings Inc	Multiline Retail	OLLI	4/6/2016	7.6	11%
Acuity Brands Inc	Electrical Equipment	AYI	4/6/2016	6.7	-11%
Uniqure Nv	Biotechnology	QURE	4/4/2016	6.6	-34%
Pricesmart Inc	Food & Staples Retailing	PSMT	4/7/2016	6.4	-18%
Novagold Resources Inc	Metals & Mining	NG	4/4/2016	6.2	2%
Global Payments Inc	IT Services	GPN	4/6/2016	5.6	-29%
Hudson'S Bay Co	Multiline Retail	HBC	4/4/2016	5.5	32%
Seachange International Inc	Software	SEAC	4/7/2016	5.5	1%
Team Inc	Commercial Services & Supplies	TISI	4/7/2016	5.4	113%
Apogee Enterprises Inc	Building Products	APOG	4/6/2016	4.9	28%
Schnitzer Steel Industries Inc	Metals & Mining	SCHN	4/6/2016	4.3	24%
Msc Industrial Direct Co Inc	Trading Companies & Distributors	MSM	4/6/2016	4.2	-27%
Darden Restaurants Inc	Hotels, Restaurants & Leisure	DRI	4/5/2016	3.8	-26%

The list of heavily shorted US stocks announcing earnings this week is led by second hand car retailer Carmax. As the largest used car seller in North America its shares plummeted in the opening weeks of the year after it announced a fall in gross profit per cars sold. While the company has since seen its shares recover most of their lost ground, short sellers, which had been increasing their positions in the lead up to January's dip doubled down. Short interest in Carmax shares is now north of 20% of shares outstanding which is nearly three times the levels seen a year ago.

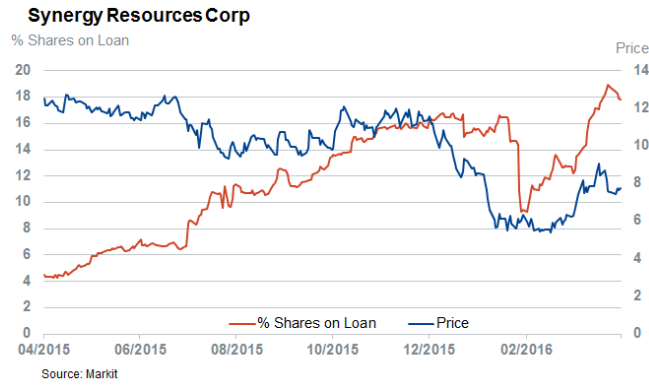
Carmax Inc



Retailers are a key focus of the current part of the earnings cycle and we see four other retailers joining Carmax on the heavily shorted list with Bed Bath and Beyond the only firm seeing more than 10% of its shares shorted.

Of the other three retailers, Sacks Fifth Avenue owner Hudson's Bay Co has seen the largest jump in short interest in the month leading up to earnings with demand to borrow the Canadian firm's shares jumping by a third in the last four weeks.

Oil and gas firms continue to make popular short targets despite the recent rebound in oil prices. This week sees Synergy Resources with an all-time high 17.8% of its shares out on loan to short sellers before its earnings update on Thursday. Short interest in Synergy has continued to rise despite the fact that its shares have jumped by a third from the lows seen earlier in the year.

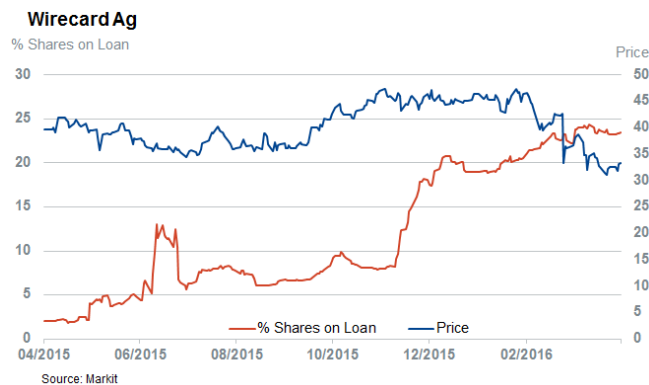


Swiss chocolatier Barry Callebaut is another firm seeing recent high short interest as the firm has seen short interest hover around the 5% of shares outstanding mark as global cocoa prices continue to climb due to the impact of weather woes on global supplies.

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Wirecard Ag	IT Services	WDI	4/7/2016	23.5	-2%
Victrex Plc	Chemicals	VCT	4/7/2016	7.8	16%
Barry Callebaut Ag	Food Products	BARN	4/6/2016	5.1	0%
Bang & Olufsen A/S	Household Durables	BO	4/6/2016	4.1	7%
Mota Engil Sgps Sa	Construction & Engineering	EGL	4/4/2016	3.5	-3%
Adler Real Estate Ag	Real Estate Management & Developm	ADL	4/7/2016	3.1	16%
Netgem Sa	Internet Software & Services	NTG	4/7/2016	3.0	-4%

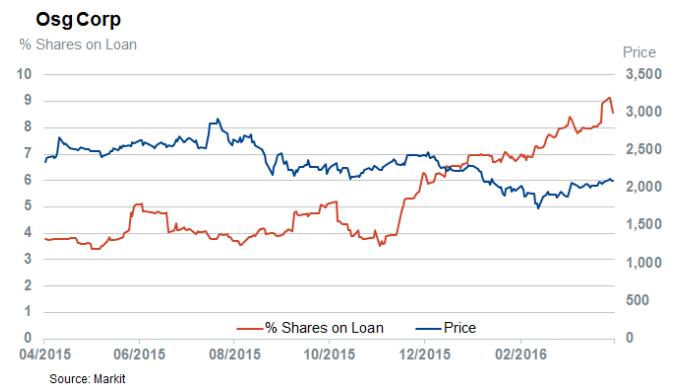
In Europe, payment processor Wirecard sees 23.5% of shares out on loan ahead of its earnings update which is the most out of any company announcing earnings this week. The company has been the target of an activist short campaign from Zatarra Research which has **alleged** that the company was involved in historical fraud and money laundering something which Wirecard management has actively denied. Despite the public rebuttal, Wirecard shares have continued to slump; prompting short sellers to add to their positions to the current all-time high.



Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Osg Corp	Machinery	6136	4/7/2016	8.6	3%
Ezra Holdings Ltd	Energy Equipment & Services	5DN	4/8/2016	6.4	-5%
Aeon Co Ltd	Food & Staples Retailing	8267	4/8/2016	6.0	-15%
Fast Retailing Co Ltd	Specialty Retail	9983	4/7/2016	5.4	18%
Onward Holdings Co Ltd	Textiles, Apparel & Luxury Goods	8016	4/8/2016	5.1	-29%
Samty Co Ltd	Real Estate Management & Developm	3244	4/8/2016	5.0	42%
Bank Of Queensland Ltd	Banks	BOQ	4/7/2016	4.9	-17%
Mani Inc	Health Care Equipment & Supplies	7730	4/8/2016	4.7	-1%
Sankyo Tateyama Inc	Building Products	5932	4/4/2016	4.5	-4%
China Petrochemical Development	Chemicals	1314	4/8/2016	4.1	-5%
Keiyo Co Ltd	Specialty Retail	8168	4/5/2016	4.1	-2%
Genius Electronic Optical Co Ltd	Electronic Equipment, Instruments & C	3406	4/6/2016	4.1	-2%
Broccoli Co Ltd	Media	2706	4/8/2016	4.0	-17%
Ringer Hut Co Ltd	Hotels, Restaurants & Leisure	8200	4/7/2016	3.8	194%
J Front Retailing Co Ltd	Multi-line Retail	3086	4/7/2016	3.7	0%
Dcm Holdings Co Ltd	Specialty Retail	3050	4/8/2016	3.5	-21%
Nihon House Holdings Co Ltd	Household Durables	1873	4/8/2016	3.2	-14%
Kolon Life Science Inc	Pharmaceuticals	102940	4/4/2016	3.2	24%
Uny Group Holdings Co Ltd	Food & Staples Retailing	8270	4/8/2016	3.1	-29%

Japanese machinery firm Osg is the most shorted Asian firm announcing earnings this week with 8.6% of shares out on loan. Current demand to borrow the firm's shares is at an all-time high as short sellers look to profit from Japan's continuing economic woes. This trade was validated today when the Nikkei Japan Manufacturing PMI **indicated** that output in the Japanese manufacturing sector shrank at the fastest pace in three years over March.



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