

Most shorted ahead of earnings

A review of how short sellers are positioning themselves ahead of earnings announcements in the coming week.

- Short sellers target iconic maker of US lubricant WD-40 as shares continue to climb
- Covering seen in Imagination Technologies as shares rally from all-time lows
- Yen strength continues to see shorts target Japanese cutting tool manufacturer OSG

North America

| Name | Industry | Ticker | Earnings Date | % Shares Outstanding On Loan | 1 Month % Change |
|------------------------------|----------------------------------|--------|---------------|------------------------------|------------------|
| Cogeco Communications Inc | Media | CCA | 06/01/1900 | 6.9 | -1% |
| Msc Industrial Direct Co Inc | Trading Companies & Distributors | MSM | 06/01/1900 | 6.4 | 20% |
| Wd-40 Co | Household Products | WDFC | 07/01/1900 | 4.8 | -3% |
| Container Store Group Inc | Specialty Retail | TCS | 05/01/1900 | 4.8 | -14% |
| Pricesmart Inc | Food & Staples Retailing | PSMT | 07/01/1900 | 4.8 | -7% |
| Mty Food Group Inc | Hotels, Restaurants & Leisure | MTY | 08/01/1900 | 4.0 | 11% |
| Tecsys Inc | Software | TCS | 08/01/1900 | 3.2 | 21% |
| Jean Coutu Group Pjc Inc | Food & Staples Retailing | PJC.A | 05/01/1900 | 2.9 | 3% |
| Pinnacle Entertainment Inc | Hotels, Restaurants & Leisure | PNKZV | 05/01/1900 | 2.1 | 48% |

A relatively quiet week ahead is expected in North America ahead of the US's Independence Day and with only a handful of companies to report earnings that currently have significant levels of short interest.

Msc Industrial Direct Co Inc



For almost six months, short sellers covered positions in industrial tools supplier Msc Industrial, which accelerated as the shares rallied at the start of 2016. But short sellers are **once again** increasing positions, with short interest rising 50% in the past three months to reach 6.3%. Shares have rallied by a quarter so far this year but have recently pulled back slightly.

WD-40, the company named after its iconic flagship lubricant has attracted short sellers leading up to its third quarter earnings in 2016.

Wd-40 Co



Short sellers may have begun to question the increasing the enthusiasm investors have shown for WD-40 shares. Shares have increased by almost a third over the past 12 months while the business continues to post low single digit revenue and earnings growth.

Europe

A week after what some have dubbed the UK's '**independence day**', only two firms in Europe have more than 5% of shares outstanding on loan ahead of earnings next week. Leading is Imagination Technologies with 6.8% of shares currently outstanding on loan.

Imagination Technologies Group Plc



Imagination Technology develops IP and software used in semiconductors in most modern computing devices including mobile phones, automotive and wearable applications.

Short sellers have covered almost two thirds of positions since the end of February 2016, with shares rallying 55% in the last six months after reaching an all-time low in January.

Ncc Group Plc



Short sellers have flocked to cyber security and risk mitigation expert NCC Group and in the past 12 months, short positions have increased from fairly negligible levels to reach 4.1% currently.

Apac

| Name | Industry | Ticker | Earnings Date | % Shares Outstanding On Loan | 1 Month % Change |
|---------------------------|--------------------------------------|--------|---------------|------------------------------|------------------|
| Osg Corp | Machinery | 6136 | 07/01/1900 | 9.0 | -6% |
| Mani Inc | Health Care Equipment & Supplies | 7730 | 08/01/1900 | 7.3 | 5% |
| Dawn Corp | Software | 2303 | 08/01/1900 | 6.6 | -13% |
| Yoshinoya Holdings Co Ltd | Hotels, Restaurants & Leisure | 9861 | 08/01/1900 | 6.4 | 2% |
| Ezra Holdings Ltd | Energy Equipment & Services | 5DN | 08/01/1900 | 5.8 | -11% |
| Yondoshi Holdings Inc | Textiles, Apparel & Luxury Goods | 8008 | 04/01/1900 | 5.4 | 0% |
| Samty Co Ltd | Real Estate Management & Development | 3244 | 08/01/1900 | 5.3 | 14% |
| Aeon Co Ltd | Food & Staples Retailing | 8267 | 06/01/1900 | 5.2 | -3% |
| Nachi-Fujikoshi Corp | Machinery | 6474 | 06/01/1900 | 5.0 | 32% |
| Silicon Studio Corp | Software | 3907 | 08/01/1900 | 4.6 | 43% |

Most shorted ahead of earnings in Apac is Japanese tooling manufacturer OSG with 9% of its shares currently outstanding on loan. With more than half of the company's revenues derived from exports, a weaker economic environment coupled with a much stronger yen has seen shares slide and attracted short sellers.

Osg Corp



Yoshinoya Holdings manages a chain of franchised beef bowl fast food restaurants mainly based in Japan (88% revenues) as well as steak and sushi restaurants.

Yoshinoya Holdings Co Ltd



Short interest in in Yoshinoya spiked higher at the start of 2016 - more than doubling to 6.4% of shares outstanding on loan. Shares have subsequently fallen just over 10% year to date.

Ezra Holdings Ltd



With high levels of short interest for a **consecutive** quarter is Ezra Holdings with 5.8% of shares currently sold short. The Singapore based firm provides offshore support for the oil and gas sector and has seen its shares plummet a further 27% as the recovering oil price lost its momentum.

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