

Most shorted ahead of earnings

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

- Oil contagion seen as short sellers target rail related companies in US
- Greenbrier is the most shorted company
- Japanese retailers are most shorted in the Asia Pacific region

Short sellers have focused on North America and the Asia Pacific region as Europe displays low levels of shorting activity for companies reporting earnings in the first week of 2015.

North America

Railroads and more specifically rail related companies have come under increasing scrutiny recently as [concerns mount](#) that volumes of crude oil shipments in the US will fall drastically as continued low oil prices start to put high cost producers out of business.

The recent shale [oil production boom](#), which led the oil price collapse, gave rise to rapid capacity expansion and utilisation of rail, to help deliver the output from the fracking expansion into new territories. Rail and related firms have performed admirably over the past 12 months however fortunes may have turned.

Oil's price has collapsed amid a glut in supply, which has caused companies to pull back on now unfeasible expansion plans. Short seller's interest in these stocks may indicate expectations of decreased volumes.

Companies that are exposed to rail volumes and offering related products and services have seen increased short interest and declining share prices, having posted a strong rally in the last year fuelled by US production of petroleum having hit [44 year highs](#).

Greenbrier sees the greatest amount of short interest ahead of earnings in the first few weeks of January 2015. The company provides transportation equipment and services to the railroad sector including refurbishments, services and leasing.

Greenbrier Company Inc



Greenbrier's share price declined by 27% in just the last month, but is still up 49% over the last year. Shares outstanding on loan are at 28%, up significantly from 5.7% from the same time last year.

Rail companies have seen less dramatic price movements compared to companies who supply into the industry but are seeing some pressure. Union Pacific and Kansas Southern share prices are both down 2%. Short sellers are for now, targeting suppliers into the industry as volume growth could stall. Greenbrier Freightcar America, is down 28% over the last month but sees less comparatively shares outstanding on loan at 2%, down 22% on the month and down 67% on the year.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Greenbrier Company Inc	Construction Machinery & Heavy Trucks	GBX	09/01/2015	27.9	-4%
Sandridge Energy Inc	Oil & Gas Exploration & Production	SD	06/01/2015	16.1	12%
E2Open Inc	Internet Software & Services	EOPN	09/01/2015	10.6	1%
Exfo Inc	Communications Equipment	EXF	08/01/2015	8.9	-4%
Bed Bath & Beyond Inc	Homefurnishing Retail	BBBY	09/01/2015	8.3	-27%
Synergy Resources Corp	Oil & Gas Exploration & Production	SYRG	08/01/2015	8.5	7%
Msc Industrial Direct Co Inc	Trading Companies & Distributors	MSM	08/01/2015	8.4	20%
Synnex Corp	Technology Distributors	SNX	10/01/2015	6.7	-3%
Sonic Corp	Restaurants	SONC	07/01/2015	6.0	-17%
Schmitzer Steel Industries Inc	Steel	SCHN	09/01/2015	6.2	-8%
Pricesmart Inc	Hypermarkets & Super Centers	PSMT	09/01/2015	5.0	5%
Container Store Group Inc	Specialty Stores	TCS	09/01/2015	4.8	-12%
Voxx International Corp	Distributors	VOXX	09/01/2015	3.7	-8%
Abengoa Yield Plc	Renewable Electricity	ABY	06/01/2015	3.4	31%
Landec Corp	Specialty Chemicals	LNDC	07/01/2015	3.4	2%
Micron Technology Inc	Semiconductors	MU	07/01/2015	3.7	2%
Family Dollar Stores Inc	General Merchandise Stores	FDO	10/01/2015	2.4	-21%
Ruby Tuesday Inc	Restaurants	RT	09/01/2015	2.7	-1%
Azz Inc	Heavy Electrical Equipment	AZZ	10/01/2015	2.7	5%
Commercial Metals Co	Steel	CMC	07/01/2015	3.0	48%

Asia Pacific

Two Japanese general merchandise retailers, Uny Group Holdings and Aeon Co, top the list of companies with the highest amount of shares outstanding on loan ahead of earnings. Both companies' shares outstanding on loan has increased over the year with Aeon's up by 27% in the last month to 6.7% while Uny Group is up 119% from 2.8% 12 months ago to 8.5%.

Aeon Co Ltd



Earlier [this year](#), short sellers had already focused on retailers as Japan's economic tightening put consumers under increased strain with added inflation and higher taxes.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Uny Group Holdings Co Ltd	Hypermarkets & Super Centers	8270	09/01/2015	8.5	-4%
Aeon Co Ltd	Hypermarkets & Super Centers	8267	10/01/2015	6.7	28%
Htc Corp	Technology Hardware, Storage & Peripherals	2498	06/01/2015	6.6	-17%
Familymart Co Ltd	Food Retail	8028	07/01/2015	6.4	2%
Bic Camera Inc	Computer & Electronics Retail	3048	10/01/2015	5.7	-2%
Ezra Holdings Ltd	Oil & Gas Equipment & Services	5DN	10/01/2015	4.6	3%
Onward Holdings Co Ltd	Apparel, Accessories & Luxury Goods	8016	10/01/2015	3.5	-2%

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