

Most shorted ahead of earnings

We review how short sellers are reacting to companies due to announce earnings this week.

- Lindsay Corp is the most US shorted company ahead of earnings
- Food producers are two of only five European companies seeing demand to borrow
- China Lumina tops the list in Asia

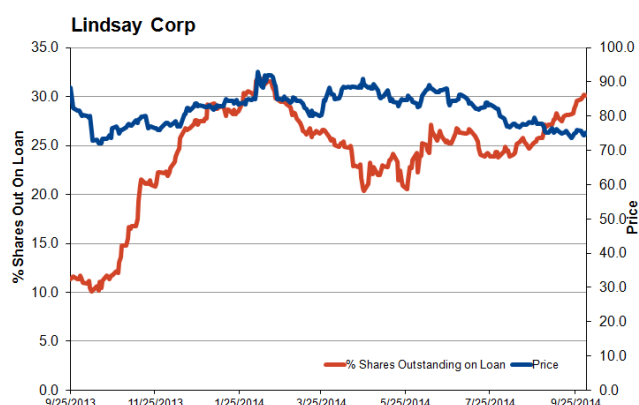
North America

There are only 18 companies with meaningful short interest (over 3% of their shares on loan) reporting earnings this week.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Lindsay Corp	Machinery	LNN	10/10/2014	30.2	12%
Blackhawk Network Holdings Inc	IT Services	HAWK	10/10/2014	16.8	-2%
E2Open Inc	Internet Software & Services	EOPN	08/10/2014	13.1	-4%
Calamp Corp	Communications Equipment	CAMP	06/10/2014	12.0	20%
Fastenal Co	Trading Companies & Distributors	FAST	10/10/2014	11.6	5%
Healthcare Services Group Inc	Commercial Services & Supplies	HCSG	08/10/2014	11.0	27%
Exfo Inc	Communications Equipment	EXF	08/10/2014	7.5	-3%
Ruby Tuesday Inc	Hotels, Restaurants & Leisure	RT	08/10/2014	6.5	3%
Adtran Inc	Communications Equipment	ADTN	08/10/2014	5.3	-4%
Bank Of Ozarks Inc	Banks	OZRK	10/10/2014	5.1	29%
International Speedway Corp	Hotels, Restaurants & Leisure	ISCA	07/10/2014	4.7	-2%
Colabor Group Inc	Food & Staples Retailing	GCL	10/10/2014	4.5	-8%
Container Store Group Inc	Specialty Retail	TCS	06/10/2014	4.5	-22%
Novagold Resources Inc	Metals & Mining	NG	07/10/2014	4.3	17%
Voxx International Corp	Distributors	VOXX	09/10/2014	3.6	72%
Paramount Gold And Silver Corp	Metals & Mining	PZG	07/10/2014	4.0	8%
Landec Corp	Chemicals	LNDC	07/10/2014	3.9	13%
Safeway Inc	Food & Staples Retailing	SWY	10/10/2014	3.6	-1%

Agriculture manufacturer, Lindsay Corp is the most borrowed stock with 30% of its shares on loan, a figure over 10 times higher than the average short interest across the S&P 500 index.

The company offers methods to efficiently deliver water to crops but short sellers remain sceptical. Demand to borrow the stock is heavy and has increased 12% in the run up to earnings. Almost 80% of the available supply of shares which can be borrowed are out on loan, meaning it would be hard and expensive to short more of the stock.



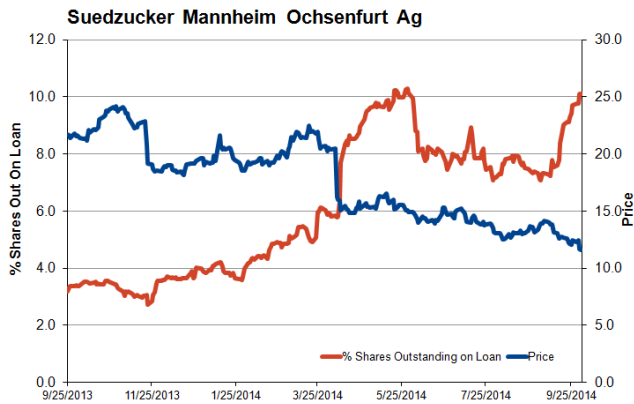
Also seeing heavy borrowing in the run up to earnings is Calamp, a maker of communications equipment. Short interest has risen to a record high of 12% of the total shares on loan, having increased by a fifth in month ahead of results.

Europe

Earnings activity is slow in Europe, with just four firms reporting results with more than 1% of shares out on loan.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Suedzucker Mannheim Ochsenfurt	Food Products	SZU	09/10/2014	10.1	38%
N Brown Group Plc	Internet & Catalog Retail	BWNG	09/10/2014	2.4	24%
Zardoya Otis Sa	Machinery	ZOT	09/10/2014	1.7	-17%
Vilmorin & Cie Sa	Food Products	RIN	07/10/2014	1.2	24%

Of these, only German food producer Suedzucker Mannheim Ochsenfurt sees significant borrowing demand with 10% of its shares on loan, close the annual high of 10.5% recorded in May. The shares are already down 40% in the last year, with eleven analysts rating the stock a "sell" against one "buy", according to Reuters.



French food producer, Vilmorin has also seen a 25% uptick in short interest ahead of results, but in absolute terms only 1.2% of the shares are on loan.

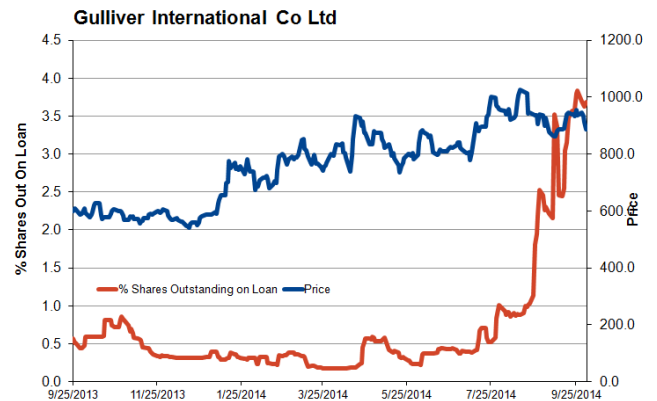
Asia

Demand to borrow in Asia is more significant, with 16 companies with more than 2% of their shares on loan announcing results this week.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
China Lumena New Materials Corp	Chemicals	67	09/10/2014	5.3	0%
Familymart Co Ltd	Food & Staples Retailing	8028	08/10/2014	4.5	20%
Kohnan Shoji Co Ltd	Specialty Retail	7516	10/10/2014	4.4	0%
Cosmos Pharmaceutical Corp	Food & Staples Retailing	3349	10/10/2014	3.5	-2%
Gulliver International Co Ltd	Specialty Retail	7599	10/10/2014	3.7	62%
Tsudakoma Corp	Machinery	6217	10/10/2014	3.3	1%
Dawn Corp	Software	2303	10/10/2014	3.5	-10%
Lawson Inc	Food & Staples Retailing	2651	07/10/2014	2.9	-59%
Takashimaya Co Ltd	Multiline Retail	8233	10/10/2014	2.8	-36%
Keiyo Co Ltd	Specialty Retail	8168	07/10/2014	3.2	11%
Fast Retailing Co Ltd	Specialty Retail	9983	09/10/2014	2.6	-10%
Meiko Network Japan Co Ltd	Diversified Consumer Services	4668	09/10/2014	2.4	30%
Inter Action Corp	Semiconductors & Semiconductor Equ	7725	10/10/2014	2.3	-4%
Broccoli Co Ltd	Media	2706	09/10/2014	2.1	-6%
Yamada Sxl Home Co Ltd	Household Durables	1919	10/10/2014	2.1	-3%
Matsuya Co Ltd	Multiline Retail	8237	09/10/2014	2.0	-4%

Of these, short interest in Japanese used car specialist Gulliver International is most noteworthy. It has risen almost two thirds in the last month to 3.7% of shares on loan, within touching distance of a two year high. The company is focused on building brand

awareness and bringing the system it uses in Japan to the Thai market. The rise in short interest is in contrast to the strong stock performance, with the shares trading just below a record high.



Chemical firm, China Lumina tops the most borrowed list in Asia with 5.3% of its shares on loan. However, the company has not seen any noteworthy increased demand to borrow ahead of announcing results.

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