

Most shorted ahead of earnings

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

- The largest printer in Canada among the most shorted in North America
- Morrisons is most shorted in Europe as firm becomes a potential target for takeover
- Short sellers attracted to Japanese software and game developers

North America

Name	Industry	Ticker	Value on loan (\$m)	% Shares Outstanding On Loan	1 Month % Change
Triangle Petroleum Corp	Oil & Gas Exploration & Production	TPLM	51,998,428	21.0	11%
Adaxis Inc	Biotechnology	ADXSD	74,742,104	17.4	20%
Transcontinental Inc	Commercial Printing	TCL.A	126,045,904	17.2	1%
Homanian Enterprises Inc	Homebuilding	HOV	41,623,636	17.0	1%
Restoration Hardware Holdings Inc	Homefurnishing Retail	RH	597,910,912	15.9	37%
Unilife Corp	Health Care Supplies	UNIS	29,687,342	15.4	-4%
Fuelcell Energy Inc	Electrical Components & Equipment	FCEL	37,938,096	13.7	1%
Layne Christensen Co	Construction & Engineering	LAYN	18,632,780	12.6	-26%
Zumiez Inc	Apparel Retail	ZUMZ	85,753,584	12.5	31%
Mattress Firm Holding Corp	Homefurnishing Retail	MFRM	227,585,984	10.8	0%
Titan Machinery Inc	Trading Companies & Distributors	TITN	24,666,812	10.7	-4%
Major Drilling Group International Inc	Diversified Metals & Mining	MDI	23,687,610	9.4	15%
Conns Inc	Computer & Electronics Retail	CONN	96,989,880	9.3	77%
Lululemon Athletica Inc	Apparel, Accessories & Luxury Goods	LULU	730,888,192	7.9	20%
Descartes Systems Group Inc	Application Software	DSG	95,234,712	7.3	2%
Peregrine Pharmaceuticals Inc	Biotechnology	PPHM	16,138,831	6.5	15%
Limoneira Co	Agricultural Products	LMNR	15,826,224	5.9	3%
Francesca'S Holdings Corp	Apparel Retail	FRAN	26,946,472	5.5	-17%
Converse Inc	Application Software	CNSI	22,788,306	5.5	17%
Caseys General Stores Inc	Food Retail	CASY	220,104,320	5.4	17%

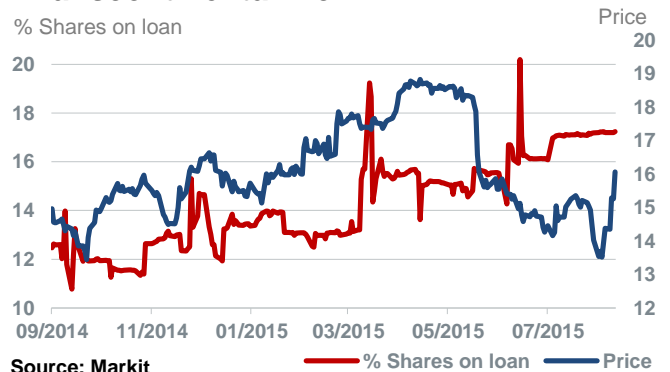
In North America, Triangle Petroleum, an integrated oil and gas firm, was the most shorted ahead of earnings this week with 21% of shares outstanding on loan. The stock has fallen 72% in the past 12 months and despite a recent rally in oil, prices continue to remain at multi-year lows.

Triangle Petroleum Corp



Montreal-based printing, packaging and marketing firm Transcontinental is second most shorted with 17.2% of shares outstanding on loan.

Transcontinental Inc



Restoration Hardware witnessed a large surge in short interest ahead of earnings in the past month. Shares outstanding on loan have increased by 37% to reach 15.9%. Shares are off 12% from recent highs reached in mid July.

Restoration Hardware Holdings Inc



Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Wm Morrison Supermarkets Plc	Food Retail	MRW	10/09/2015	16.6	0%
Ashmore Group Plc	Asset Management & Custody Banks	ASHM	08/09/2015	12.9	5%
Gerry Weber International Ag	Apparel, Accessories & Luxury Goods	GW11	11/09/2015	11.9	14%
Sas Ab	Airlines	SAS	08/09/2015	8.4	6%
Hargreaves Lansdown Plc	Asset Management & Custody Banks	HL	09/09/2015	5.2	7%
J D Wetherspoon Plc	Restaurants	JDW	11/09/2015	4.0	9%
Monitise Plc	Application Software	MONI	09/09/2015	4.0	-1%
Bourbon Sa	Oil & Gas Equipment & Services	GBB	09/09/2015	3.5	7%
Gameloft Se	Application Software	GFT	09/09/2015	3.3	-6%
Redrow Plc	Homebuilding	RDW	08/09/2015	2.1	105%

In Western Europe, retailer Morrisons is the most shorted ahead of earnings with 16.6% of shares outstanding on loan.

Wm Morrison Supermarkets Plc



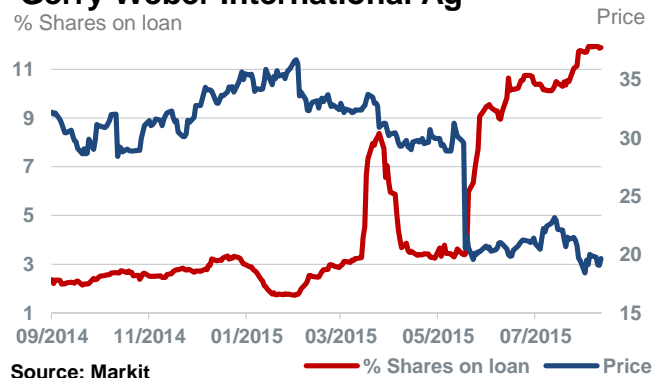
Shares in Morrisons have tracked sideways for 12 months after peaking in March 2015 but remain close to five-year lows, while short interest has increased by two thirds as the UK retail price war **continued** to attract short sellers. Recent **reports** have surfaced that the firm may have become a takeover target for billionaire Christo Wiese’s company **Brait**, which recently acquired New Look and Virgin Active.

Ashmore Group Plc



Investment management firm Ashmore Group is the second most shorted stock in Europe with 12.9% of shares outstanding on loan ahead of earnings. Since the beginning of June shares have fallen by 25% and attracted 60% more in short positions. The group has suffered from emerging markets exposure and the recent market sell off, but less so compared to **peers**.

Gerry Weber International Ag



German fashion retailer Gerry Weber’s shares plummeted 30% on June 9th 2015 after the firm **announced** it was “not entirely isolated” from negative trends in the industry. The company cited falling demand in German sales and pressure on Russian and Eastern European volumes. Shares outstanding on loan have more than doubled to 11.9%.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Morpho Inc	Application Software	3653	11/09/2015	5.3	-19%
Gumii Inc	Application Software	3903	11/09/2015	4.5	14%
Ateam Inc	Internet Software & Services	3662	11/09/2015	4.3	2%
3-D Matrx Ltd	Biotechnology	7777	11/09/2015	3.8	-12%
Asukanet Co Ltd	Diversified Support Services	2438	07/09/2015	3.6	-26%

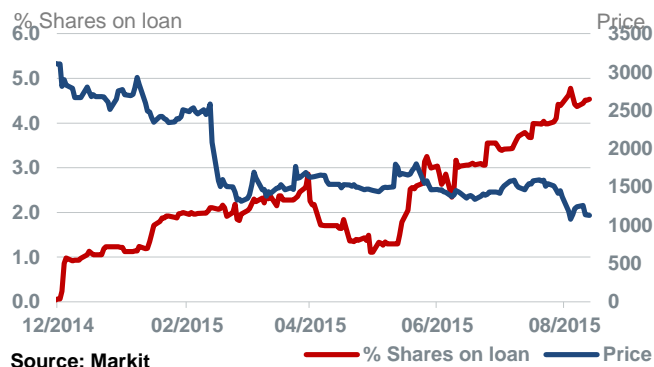
Most short sold in Apac is the Japanese image processing software developer Morpho. Short sellers have covered positions from a high in April of 16% of shares outstanding on loan to 5.3% as shares peaked in June. Subsequently shares have fallen by 47%.

Morpho Inc



Shares in recently listed Tokyo based game developer Gumi have fallen 62% year to date and have continued to attract short sellers with shares outstanding on loan increasing to 4.5%.

Gumi Inc



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