

Most shorted ahead of earnings

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

- Oil hedging no saviour to Comstock as short interest hovers above 40%
- World's oldest bank BMPS sees 175% increase in shorting as capital adequacy ratios force equity issuance
- Hello Kitty maker and iron ore recycler most shorted in APAC

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Comstock Resources Inc	Oil & Gas Exploration & Production	CRK	09/02/2015	40.6	-8%
Energy XXI Ltd	Oil & Gas Exploration & Production	EIXI	09/02/2015	28.9	5%
Tidewater Inc	Oil & Gas Equipment & Services	TDW	09/02/2015	27.6	12%
Alpha Natural Resources Inc	Coal & Consumable Fuels	ANR	12/02/2015	22.7	-1%
Amag Pharmaceuticals Inc	Biotechnology	AMAG	09/02/2015	22.6	16%
Rubicon Technology Inc	Semiconductor Equipment	RBCN	12/02/2015	22.0	0%
Generac Holdings Inc	Electrical Components & Equipment	GNRC	11/02/2015	21.1	-9%
Ligand Pharmaceuticals Inc	Biotechnology	LGND	09/02/2015	19.6	6%
Zillow Inc	Internet Software & Services	Z	12/02/2015	18.8	37%
Tesla Motors Inc	Automobile Manufacturers	TSLA	11/02/2015	17.7	12%
Unifine Corp	Health Care Supplies	UNIS	09/02/2015	17.2	-15%
Louisiana-Pacific Corp	Forest Products	LPX	11/02/2015	16.4	3%
Radian Group Inc	Thriffs & Mortgage Finance	RDN	12/02/2015	16.1	-5%
Altisource Portfolio Solutions Sa	Real Estate Services	ASPS	13/02/2015	15.7	-1%
Albany Molecular Research Inc	Life Sciences Tools & Services	AMRI	12/02/2015	15.3	-4%
Western Union Co	Data Processing & Outsourced Services	WU	10/02/2015	15.1	-2%
Phh Corp	Specialized Finance	PHH	11/02/2015	15.1	9%
Arrowhead Research Corp	Biotechnology	ARWRD	09/02/2015	14.9	-1%
Igg Photonics Corp	Electronic Manufacturing Services	IPGP	13/02/2015	14.6	0%
Home Capital Group Inc	Thriffs & Mortgage Finance	HCG	11/02/2015	14.6	27%

Oil & Gas firms feature prominently among short sellers' favourites this week within companies reporting earnings. Leading the pack is Comstock Resources with 40.6% of shares outstanding on loan.

Comstock Resources Inc



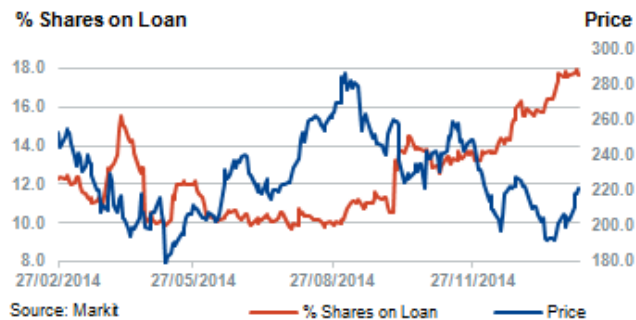
The stock is down 80% compared to 12 months previously. The company's results, like others in the sector, have been impacted by sustained low oil prices over the last quarter. Comstock's Q3 results for 2014, which cumulated in a net loss, **reveal that**

56% of oil production was hedged at \$95 per barrel. The hedging policy if continued though Q4 may have cushioned the blow as oil plummeted below \$50, but consensus forecasts point to a fourfold increase in losses for the fourth quarter.

Other Oil & Gas companies with significant short interest include Energy Xi and Tidewater with 28% and 27.6% of shares outstanding on loan respectively. Both firms have seen significant increases in short interest in tandem with hefty share price declines over the last six to 12 months.

Other notable examples of firms seeing interest in the last month include Zillow and Tesla. Zillow is in a **protracted takeover** deal with rival Trulia and electric car manufacturer Tesla is tempering investor's expectations as the highest levels of short interest are reached in over 12 months. While full year sales figures for Tesla are expected to almost double, investors had expected more and priced in more growth. Short sellers have increased positions to 17.7% of shares outstanding on loan. The company also faces looming competition as **traditional car makers** start to make real efforts to enter the electric category.

Tesla Motors Inc



Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Petroleum Geo Services Asa	Oil & Gas Equipment & Services	PGS	12/02/2015	15.4	-20%
Fislmith & Co A/S	Construction & Engineering	FLS	12/02/2015	14.7	-6%
Kuka Ag	Industrial Machinery	KU2	11/02/2015	10.7	9%
Rec Silicon Asa	Semiconductor Equipment	REC	13/02/2015	10.5	-8%
Aperam Sa	Steel	APAM	12/02/2015	10.2	-17%
Norwegian Air Shuttle Asa	Airlines	NAS	12/02/2015	10.1	-27%
Bifinger Se	Diversified Support Services	GBF	12/02/2015	9.8	6%
Opera Software Asa	Internet Software & Services	OPERA	11/02/2015	9.7	-15%
Fred Olsen Energy Asa	Oil & Gas Drilling	FOE	11/02/2015	9.4	17%
Oriflame Cosmetics Sdr	Personal Products	ORI SDE	11/02/2015	8.6	-11%
Banca Monte Dei Paschi Di Siena SpA	Diversified Banks	BMPS	11/02/2015	8.5	175%
Nordic Semiconductor Asa	Semiconductors	NOD	10/02/2015	7.7	2%
Naxans Sa	Electrical Components & Equipment	NEX	13/02/2015	7.7	-14%
Ssab Ab	Steel	SSAB A	10/02/2015	7.5	3%
Lancashire Holdings Ltd	Property & Casualty Insurance	LRE	12/02/2015	7.4	17%
Telecity Group Plc	Internet Software & Services	TCY	11/02/2015	6.7	45%
Outokumpu Oyj	Steel	OUTIV	12/02/2015	6.6	-17%
Arcelormittal Sa	Steel	MT	13/02/2015	6.5	35%
Akastor Asa	Oil & Gas Equipment & Services	AKA	10/02/2015	5.7	-6%
Sulzer Ag	Industrial Machinery	SUN	12/02/2015	5.5	2%

In Europe the world's oldest bank, BMPS, saw a 175% increase in short interest levels. Bets against the firm rose to 8.5% of shares outstanding on loan on **news** that the company would need to raise €3.5bn, one billion more than previously thought to improve the bank's capital ratios. The bank was one of the **25 lenders** that failed ECB stress tests in October 2014 which revealed a capital hole in the Italian financial system.

Nordic firms featuring in the most shorted ahead of earnings include Norwegian Air Shuttle and Rec Silicon. Norwegian Air Shuttle has recently seen short sellers cover as shares outstanding on loan decreased by 43% over the last three months as the share price increased by 32%. The discount airline is benefiting from **efficient aircraft** and the lower oil prices. Rec silicon has 10% of shares outstanding on loan as the company's solar panel subsidiary is in a pending sale.

Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Sanrio Co Ltd	Specialty Stores	8136	10/02/2015	14.3	22%
Sims Metal Management Ltd	Steel	SGM	13/02/2015	11.0	59%
Mineral Resources Ltd	Diversified Support Services	MIN	13/02/2015	10.2	12%
Klab Inc	Application Software	3656	12/02/2015	9.9	9%
Sanix Inc	Environmental & Facilities Services	4651	12/02/2015	9.8	6%
Kyotisu Maintenance Co Ltd	Hotels, Resorts & Cruise Lines	9616	09/02/2015	9.2	35%
Iwatani Corp	Trading Companies & Distributors	8088	12/02/2015	9.0	2%
Paladin Energy Ltd	Coal & Consumable Fuels	PDN	12/02/2015	9.0	-26%
Cochlear Ltd	Health Care Equipment	COH	10/02/2015	8.9	2%
Aeon Financial Service Co Ltd	Consumer Finance	8570	12/02/2015	8.7	4%
Tpk Holding Co Ltd	Electronic Equipment & Instruments	3673	10/02/2015	8.0	-3%
Cyberdyne Inc	Health Care Equipment	7779	13/02/2015	7.7	1%
Aiful Corp	Consumer Finance	8515	12/02/2015	7.4	11%
Fidea Holdings Co Ltd	Regional Banks	8713	10/02/2015	6.9	2%
Oci Co Ltd	Diversified Chemicals	010060	10/02/2015	6.5	16%
Ermoni Group Holdings Co Ltd	Trading Companies & Distributors	9963	09/02/2015	6.4	2%
Pacific Metals Co Ltd	Diversified Metals & Mining	5541	10/02/2015	5.9	36%
Sumco Corp	Semiconductor Equipment	3436	12/02/2015	5.8	-13%
Pixart Imaging Inc	Semiconductors	3227	13/02/2015	5.6	1%
Tomy Co Ltd	Leisure Products	7867	10/02/2015	5.6	9%

Most shorted in APAC is Tokyo based character goods and merchandise manufacturer Sanrio. Most well-known globally as the Hello Kitty brand, the company saw a 22% increase in short interest over the last month to hit 15.4%.

The company **changed strategy** last year to manufacture and sell more of its own goods as opposed to selling licences.

Second most short sold in the region is global waste and metals recycling group Simms Metal Management. Based in Australia, Simms has seen a 59% increase in short interest in the last month with 11% of shares outstanding out on loan. Two thirds of the firm's sales are exposed to ferrous metals recycling, whose prices have been falling dramatically. Iron ore prices, like oil prices, are now **touching five and half year lows**.

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