

Most shorted ahead of earnings

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

- Shorts cover positions in Alcoa as stock rallies ahead of earnings
- Despite a 28% rally in shares short sellers increase positions in Tesco
- Japanese real estate targeted as short interest in Properst rises along with shares

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Sm Energy Co	Oil & Gas Exploration & Production	SM	04/14/2016	27.8	36%
Westamerica Bancorp	Regional Banks	WABC	04/13/2016	17.5	-6%
Performance Sports Group Ltd	Leisure Products	PSG	04/12/2016	14.8	6%
Fastenal Co	Trading Companies & Distributors	FAST	04/12/2016	14.8	-9%
Layne Christensen Co	Construction & Engineering	LAYN	04/12/2016	13.8	-3%
First Financial Bankshares Inc	Regional Banks	FFIN	04/14/2016	12.3	-4%
Advanced Micro Devices Inc	Semiconductors	AMD	04/13/2016	12.3	-23%
Pier 1 Imports Inc	Homefurnishing Retail	PIR	04/13/2016	12.3	12%
Seagate Technology Plc	Technology Hardware, Storage & Peripherals	STX	04/15/2016	11.2	9%
Cogeco Communications Inc	Cable & Satellite	CCA	04/13/2016	10.0	6%
Alcoa Inc	Aluminum	AA	04/11/2016	9.6	-16%
Nyx Gaming Group Ltd	Casinos & Gaming	NYX	04/14/2016	9.1	68%
Osmis Therapeutics Inc	Biotechnology	OSIR	04/15/2016	9.1	-15%
Lattice Semiconductor Corp	Semiconductors	LSCC	04/14/2016	9.1	3%
B&G Foods Inc	Packaged Foods & Meats	BGS	04/14/2016	9.0	-11%
Bank Of The Ozarks Inc	Regional Banks	OZBK	04/11/2016	8.8	10%
Titan Machinery Inc	Trading Companies & Distributors	TIIN	04/13/2016	8.0	-13%
Healthcare Services Group Inc	Diversified Support Services	HCSG	04/12/2016	8.0	-5%
Covanta Holding Corp	Environmental & Facilities Services	CVA	04/13/2016	7.2	-6%
Terraform Power Inc	Renewable Electricity	TERP	04/13/2016	6.6	-5%

With 28% of its shares outstanding on loan Sm Energy is the most shorted stock in North America ahead of earnings. Short interest has surged by almost a fifth in the last month, despite a jump in share price and is back to highs last seen in January 2015. The oil & gas explorer and developer is **focused** on preserving balance sheet strength and improving its liquidity - its shares have fallen by two thirds over the past 12 months.

Sm Energy Co



Westamerica Bancorp and Fastenal **feature** for a **consecutive** quarter among the most

shorted firms ahead of earnings in North America.

Westamerica Bancorp



Shares outstanding on loan in Westamerica breached 20% in February 2015 with its stock surging but some covering has been seen lately, with short interest now at 17.6%.

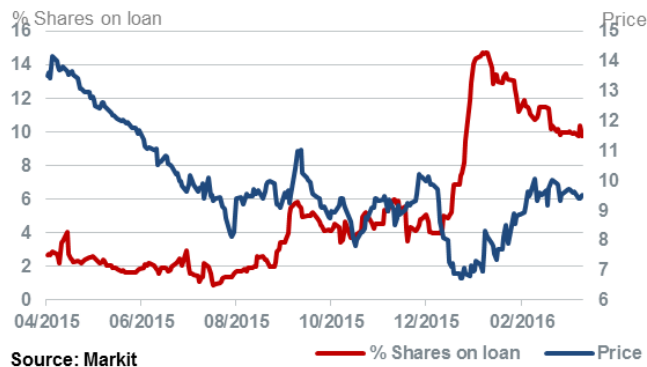
Fastenal **cited tough trading** conditions in the last quarter as the health of clients deteriorated in the second half of 2015. Despite this, shares have rallied almost 30% since January lows.

Fastenal Co



Shorts have covered 23% of positions in Fastenal since peaking in February with 15% of shares currently outstanding on loan.

Alcoa Inc



Kicking off earnings season with the second largest aggregate short position in North America (behind Fastenal's \$1.6bn value on loan) is metal producer Alcoa with over \$750m in value on loan. After posting a fourth quarter loss but **beating analyst earnings expectations**, shares in Alcoa have bounced and shorts have covered. The company currently has just fewer than 10% of shares outstanding on loan with the stock still down some 30% over the past 12 months.

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Casino Guichard Perrachon Sa	Food Retail	CO	04/14/2016	9.0	-24%
Nanoco Group Plc	Semiconductors	NANO	04/12/2016	8.7	-7%
Rocket Internet Se	Internet Software & Services	RKET	04/14/2016	8.0	-21%
Tesco Plc	Food Retail	TSCO	04/13/2016	6.5	-7%
Virbac Sa	Pharmaceuticals	VRP	04/13/2016	3.2	-8%
Wm Smith Plc	Specialty Stores	SMWH	04/13/2016	1.7	-9%

Most shorted in Europe is French food retailer Casino Guichard with 9% of shares outstanding on loan.

Casino Guichard Perrachon Sa



Casino joins Tesco with 6.5% of its shares sold short. European retailers continue to attract strong short interest as the industry battles against price deflation and aggressive competition from German discounters Aldi & Lidl. Tesco has staged an impressive rally year to date rising 28%. However, despite the rise short sellers have increased positions by 41% with only some marginal covering in recent weeks.

Tesco Plc



Second most shorted ahead of earnings in Europe is Manchester based Nanoco PLC with 8.7% of shares outstanding on loan.

Nanoco Group Plc



Nanoco researches and develops quantum dot based products for use in display, lighting, solar and biomedical applications. Shares have slid 60% in the last 12 months.

Rocket Internet Se



Lastly the third most shorted stock ahead of earnings in Europe is **incubator/venture** firm Rocket Internet with 8% of shares outstanding on loan. Shares in Rocket have almost halved over the last 12 months, continuing to fall after the company's IPO in 2014.

Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Properst Co Ltd	Diversified Real Estate Activities	3236	04/11/2016	11.8	36%
Singapore Press Holdings Ltd	Publishing	139	04/12/2016	8.4	-6%
Yoshinoya Holdings Co Ltd	Restaurants	9851	04/11/2016	7.8	-11%
U-Shin Ltd	Auto Parts & Equipment	6985	04/12/2016	7.7	-7%
Aeon Co Ltd	Hypermarkets & Super Centers	8267	04/13/2016	6.4	-8%
Cosmos Pharmaceutical Corp	Drug Retail	3349	04/11/2016	6.0	-3%
Matsuya Co Ltd	Department Stores	8237	04/14/2016	5.8	75%
Kolon Life Science Inc	Pharmaceuticals	102940	04/11/2016	5.4	96%
Yondoshi Holdings Inc	Apparel, Accessories & Luxury Goods	8008	04/11/2016	5.4	32%
Guliver International Co Ltd	Automotive Retail	7599	04/13/2016	5.2	-16%

Most shorted in Apac and seeing a significant rise in short interest year to date is Japanese real estate firm Properst with 11.8% of shares outstanding on loan. Shares in the company have risen dramatically year to date, up by 70%.

Properst Co Ltd



Among the most shorted in Apac **last** quarter is the largest newspaper publisher in Singapore, Singapore Press which has seen shorts cover their positions, shares outstanding declining to 8.5% as shares jumped higher in 2016.

Singapore Press Holdings Ltd



Japanese food chain Yoshinoya is the third most shorted with 8.5% of shares outstanding on loan. Shares have come under pressure in 2016, declining 15% with short interest increasing by almost two fold.

Yoshinoya Holdings Co Ltd



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