

## Most shorted ahead of earnings

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

- Consensus among short sellers and investors sees Mattel shares continue to fall
- Short sellers return to the iconic mobile home maker Winnebago as sales growth weakens
- Shorts begin to abandon positions in WH Smith, which continues to deliver results

### North America

Name	Industry	Ticker	Value on loan (\$m)	% Shares Outstanding On Loan	1 Month % Change
Mattel Inc	Leisure Products	MAT	1,448,590,720	19.8	11%
Winnebago Industries Inc	Automobile Manufacturers	WGO	101,533,304	17.8	17%
Advanced Micro Devices Inc	Semiconductors	AMD	253,014,672	17.2	6%
People's United Financial Inc	Regional Banks	PBCT	726,760,768	14.8	-3%
W W Grainger Inc	Trading Companies & Distributors	GWW	2,156,500,480	14.3	10%
Synergy Resources Corp	Oil & Gas Exploration & Production	SYRG	172,491,328	13.8	20%
Aerojet Rocketdyne Holdings Inc	Aerospace & Defense	AJRD	145,710,112	13.4	-4%
Fastenal Co	Trading Companies & Distributors	FAST	1,419,231,360	12.8	-2%
M&T Bank Corp	Regional Banks	MTB	1,952,076,288	12.1	12%
Ethan Allen Interiors Inc	Home Furnishings	ETH	97,068,552	12.2	66%
Straight Path Communications Inc	Alternative Carriers	STRP	57,891,624	11.8	7%
Moduslink Global Solutions Inc	Data Processing & Outsourced Services	MLNK	19,121,310	11.4	-1%
First Financial Bankshares Inc	Regional Banks	FFIN	229,544,272	11.3	11%
Westamerica Bancorp	Regional Banks	WABC	127,131,054	11.0	1%
Parker-Hannifin Corp	Industrial Machinery	PH	1,508,410,368	10.6	-7%
Rambus Inc	Semiconductors	RMBS	157,661,712	10.6	127%
Healthcare Services Group Inc	Diversified Support Services	HCSG	259,341,616	10.2	2%
Briggs & Stratton Corp	Industrial Machinery	BGG	86,765,720	9.5	6%
Performance Sports Group Ltd	Leisure Products	PSG	57,579,628	9.5	0%
First Horizon National Corp	Regional Banks	FHN	249,382,720	7.3	-4%

covered but shares outstanding on loan have subsequently soared in 2015, rising almost five fold to 19.8%. Mattel stock has fallen by 28% year to date while Hasbro shares have climbed 34%.

Second most shorted in North America ahead of earnings is Winnebago Industries with 18.5% of shares outstanding on loan. Shares of the company are relatively flat year to date, while short interest has increased by 150%.

Most shorted ahead of earnings in North America this week is toymaker Mattel. Since the end of 2014, the company has had a torrid tale to tell relative to rival Hasbro.

Short sellers look to have rotated out of Hasbro and into Mattel since the end of 2014, while price movements indicate that investors have done the opposite, rewarding short seller positions.

### Mattel Inc



Short interest in Mattel declined towards the end of 2014 as shorts took profits and

### Winnebago Industries Inc



Year to date Winnebago shares are down 7.7% as strong sales growth over the last three years slowed in 2015, along with earnings growth.

Despite a brief rally which squeezed some shorts, short sellers have held onto positions over the last few months in chipmaker Advanced Micro Devices, the third most shorted ahead of earnings. Short demand, however, remains strong for the stock with a cost to borrow above 10% and shares outstanding on loan currently standing at 17.2%.

### Advanced Micro Devices Inc



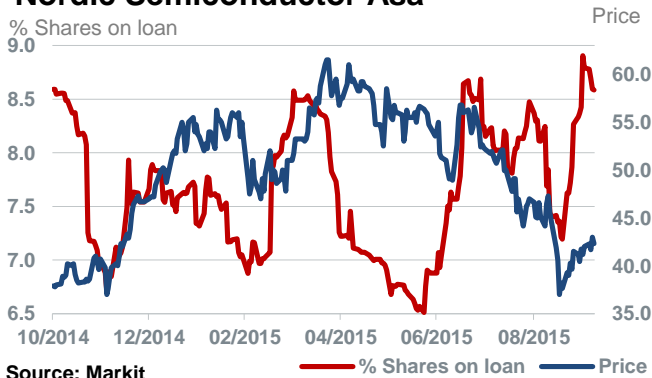
The company **joins others** in the sector, which has attracted increasing levels of short interest as shifts in consumer electronic device demands cause changes in component supply.

### Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Nordic Semiconductor Asa	Semiconductors	NOD	17/10/2015	8.6	16%
Rallye Sa	Food Retail	RAL	15/10/2015	7.9	148%
Nanoco Group Plc	Semiconductors	NANO	14/10/2015	5.7	-13%
Gelinge Ab	Health Care Equipment	GETI B	16/10/2015	5.1	-10%
N Brown Group Plc	Catalog Retail	BWNG	15/10/2015	4.3	0%
Wh Smith Plc	Specialty Stores	SMWH	16/10/2015	3.2	15%
Dustin Group Ab	Internet Retail	DUST	15/10/2015	2.8	75%
Game Digital Plc	Computer & Electronics Retail	GMD	16/10/2015	2.5	14%
Kuehne Und Nagel International Ag	Marine	KNIN	14/10/2015	2.2	-5%
Elisa Oyj	Integrated Telecommunication Services	ELI1V	17/10/2015	1.9	42%

Most shorted ahead of earnings in Europe is Nordic Semiconductors with 8.6% of shares outstanding on loan. Shares in the integrated circuits maker have fallen by a third in the last 12 months despite strong sales and profit growth which are expected for the full 2015 financial year.

### Nordic Semiconductor Asa



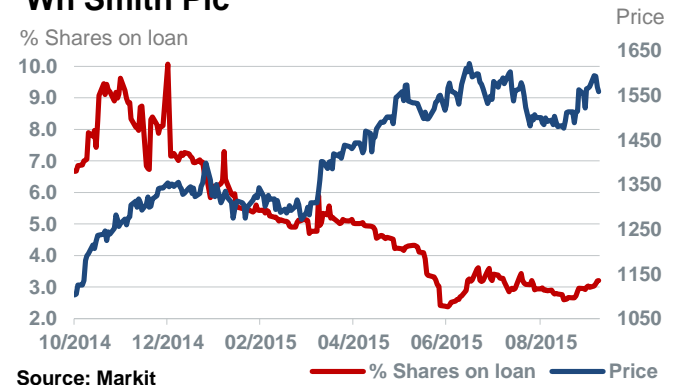
Second most shorted in Europe is French food and clothing retailer Rallye, which has seen a fivefold rise in short interest in the last three months with shares outstanding on loan standing at 7.9% currently. The stock has fallen 50% over the last six months due to a large exposure to Brazil. The fall in the value of equity has raised concerns about the company meeting **certain debt** covenants.

### Rallye Sa



Making the top ten of the most shorted ahead of earnings in Europe is UK stationer and newsagent WH Smith. The firm has **continued** to send short sellers packing, with shares outstanding on loan halving in the last 12 months while shares have rallied 41%.

### Wh Smith Plc



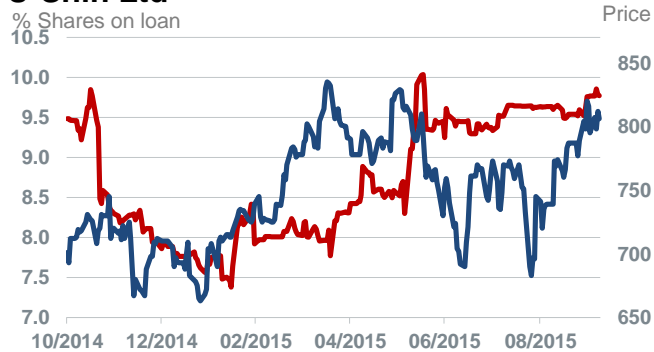
WH Smith has benefited from robust sales at airport and railway outlets, registering the company's **first sales rise** in six years in 2015.

### Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
U-Shin Ltd	Auto Parts & Equipment	6985	14/10/2015	9.8	0%
Singapore Press Holdings Ltd	Publishing	T39	14/10/2015	7.8	10%
Gulliver International Co Ltd	Automotive Retail	7599	14/10/2015	6.2	-9%
Ten Network Holdings Ltd	Broadcasting	TEN	17/10/2015	6.1	-1%
Midas Holdings Ltd	Aluminum	5EN	17/10/2015	5.8	-16%
Broccoli Co Ltd	Movies & Entertainment	2706	10/10/2015	5.0	0%
Cosmos Pharmaceutical Corp	Drug Retail	3349	10/10/2015	4.8	14%
S Foods Inc	Packaged Foods & Meats	2292	14/10/2015	4.6	8%
Furuno Electric Co Ltd	Electronic Equipment & Instruments	6814	14/10/2015	4.2	-4%
Ta Chen Stainless Pipe Co Ltd	Steel	2027	16/10/2015	3.9	6%

Most shorted in Apac ahead of earnings is Tokyo based U-Shin, a manufacturer of a wide range of products for the automotive and industrial sectors. Shares outstanding on loan have tracked the share price higher, increasing to 9.8% as shares have increased by a fifth in the last 12 months. The share price increase has in turn tracked a rise in sales and earnings at the company.

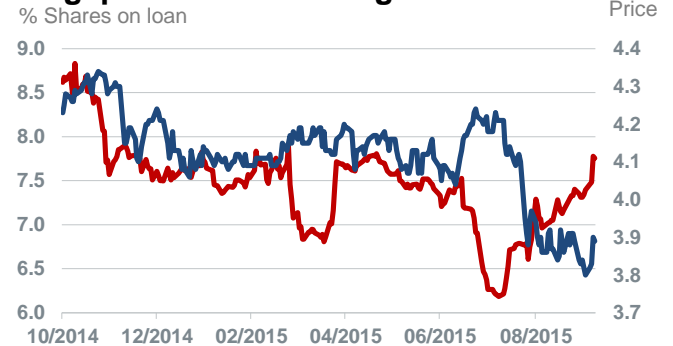
### U-Shin Ltd



Source: Markit

Second most shorted in Apac ahead of earnings is media and print company Singapore Press with 7.8% of shares outstanding on loan.

### Singapore Press Holdings Ltd



Source: Markit

The publisher of the Straits Times and numerous other print and media titles has seen its shares decline 7.6% year to date. Sales and earnings and the publishers have stagnated since August 2011.

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