

## Most shorted ahead of earnings

A review of how short sellers are positioning themselves ahead of earnings announcements in the coming week and names at risk of a short squeeze.

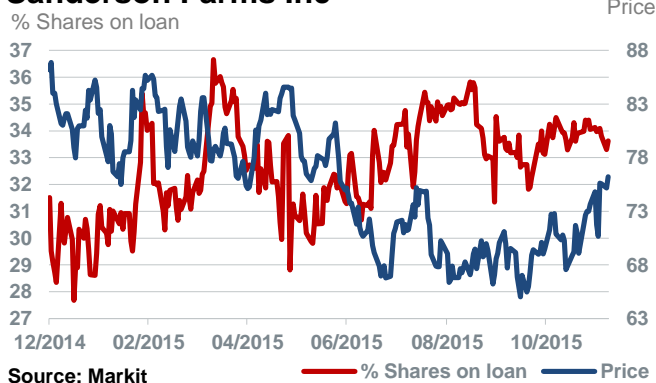
- Sanderson Farms most shorted in North America and at risk of squeeze ahead of earnings
- Mining downturn puts Joy Global's dividend at risk
- Shorts hold on to Scandinavian Airlines ahead of earnings even as shares take off

### North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Sanderson Farms Inc	Packaged Foods & Meats	SAFM	18/12/2015	33.6	11%
Pier 1 Imports Inc	Homefurnishing Retail	PIR	17/12/2015	20.9	4%
Winnebago Industries Inc	Automobile Manufacturers	WGO	18/12/2015	16.4	-14%
Joy Global Inc	Construction Machinery & Heavy	JOY	17/12/2015	15.2	14%
Arrowhead Research Corp	Biotechnology	ARWR	15/12/2015	14.9	1%
Navistar International Corp	Construction Machinery & Heavy	NAV	16/12/2015	13.5	6%
Lennar Corp	Homebuilding	LEN	19/12/2015	13.1	1%
Carmax Inc	Automotive Retail	KMX	19/12/2015	11.4	16%
Blackberry Ltd	Technology Hardware, Storage	BB	19/12/2015	11.2	-4%
Eagle Pharmaceuticals Inc	Biotechnology	EGRX	18/12/2015	10.2	-6%
Fuelcell Energy Inc	Electrical Components & Equip	FOEL	15/12/2015	8.4	-9%
Landauer Inc	Health Care Services	LDR	15/12/2015	8.4	3%
Actuant Corp	Industrial Machinery	ATU	18/12/2015	7.6	-13%
Kirkland Lake Gold Inc	Gold	KGI	15/12/2015	6.6	52%
Jabil Circuit Inc	Electronic Manufacturing Service	JBL	17/12/2015	5.5	-17%
Penn National Gaming Inc	Casinos & Gaming	PENN	15/12/2015	5.4	-34%
Ezcorp Inc	Consumer Finance	EZPW	17/12/2015	5.4	-16%
Apogee Enterprises Inc	Building Products	APOG	17/12/2015	4.8	8%
Whistler Blackcomb Holdings Inc	Leisure Facilities	WB	15/12/2015	3.7	2%
Lakeland Industries Inc	Apparel, Accessories & Luxury	LAKI	17/12/2015	3.5	11%

Most shorted ahead of earnings in North America this week is Sanderson Farms with 33% of shares outstanding on loan.

### Sanderson Farms Inc



The poultry producer has been **targeted** by short sellers for over 12 months. The recent rise in share price has seen the stock rank in the top percentage of names at risk of suffering a squeeze by **Markit Research Signals'** Short Squeeze model.

Second most shorted is Pier 1 Imports with 20.9% of shares outstanding on loan. Short sellers **who increased** positions in Pier 1 the previous quarter will have been rewarded as the stock has slid some 28% since.

### Pier 1 Imports Inc

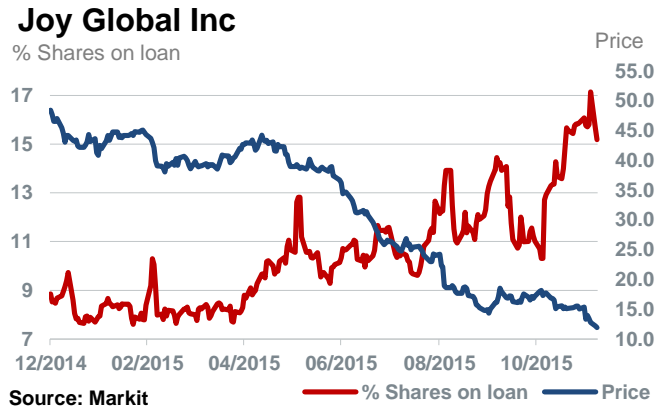


Winnebago Industries with 16.4% of shares outstanding on loan has seen shares rally almost 20% since October 2015 when the firm reported improved full year earnings for its 2015 fiscal year.

### Winnebago Industries Inc



Short sellers have however covered positions only marginally by 6% in Winnebago since **October 2015**.



Joy Global, a manufacturer of heavy machinery used in the mining of commodities is the fourth most shorted stock ahead of earnings in North America with 15.2% of shares outstanding on loan. Shares in the firm have fallen 70% in the last six months alone as basic resources and commodities prices continue to hover at seven year lows.

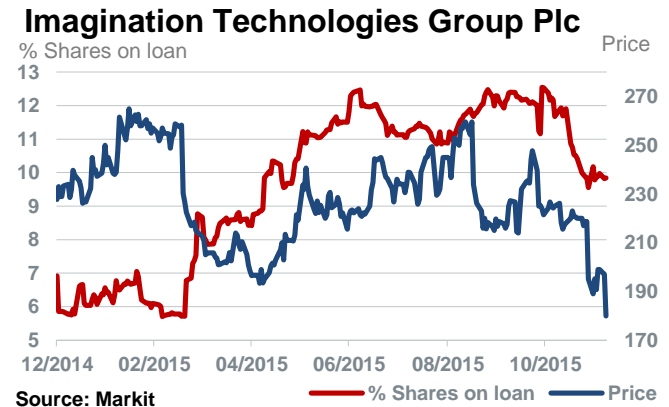
Markit **Dividend Forecasting** is expecting Joy to cut its quarterly dividend by 50% to \$0.1 per share. Last quarter the company posted a 10% drop in sales and diluted earnings per share fell 35% compared with the same quarter last year. Management has commented that it is likely to consider reducing its dividend rate due to the expected step down in sales and earnings for 2016.

**Europe**

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Imagination Technologies Group Plc	Semiconductors	IMG	16/12/2015	9.8	-16%
Sas Ab	Airlines	SAS	17/12/2015	9.8	11%
Immofinanz Ag	Real Estate Operating Companies	IIA	17/12/2015	3.8	3%
Etablissementen Franz Colruyt Nv	Food Retail	COLR	15/12/2015	3.5	20%
Metro Ag	Hypermarkets & Super Centers	MEO	16/12/2015	2.7	2%

Most shorted in Europe ahead of earnings **once again**, with 9.8% of shares outstanding on loan is mobile chip maker Imagination Technologies. Short sellers have covered positions by 15% in the last three months

during which the stock price has declined 30%.

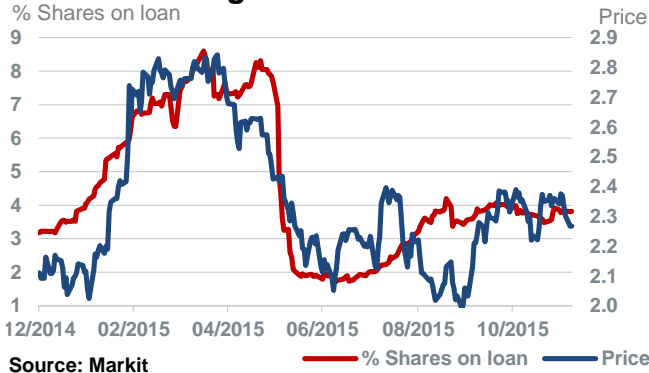


Scandinavian passenger airline Sas is tied for the top position as most shorted in Europe ahead of earnings with short sellers steadily increasing positions since early 2015 to 9.8% of shares outstanding on loan currently. Shorts have continued to increase positions even while Sas shares have rallied by 32% in the last three months.



Austrian real estate and investment services provider Immofinanz **continues** to see relatively high levels of short interest at 3.9% of shares outstanding on loan. The firm has a number of convertible bond issuances outstanding which may explain why short interest movements track movements in the share price as bond holders hedge their exposures.

### Immofinanz Ag



### Nihon House Holdings Co Ltd



### Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Kumiai Chemical Industry Co Ltd	Fertilizers & Agricultural Chemic	4996	19/12/2015	4.1	-14%
Nihon House Holdings Co Ltd	Homebuilding	1873	16/12/2015	4.2	-2%
Enigmo Inc	Internet Software & Services	3665	17/12/2015	3.1	-8%
3-D Matrix Ltd	Biotechnology	7777	17/12/2015	3.0	-25%
Kobe Bussan Co Ltd	Food Retail	3038	17/12/2015	2.7	-5%

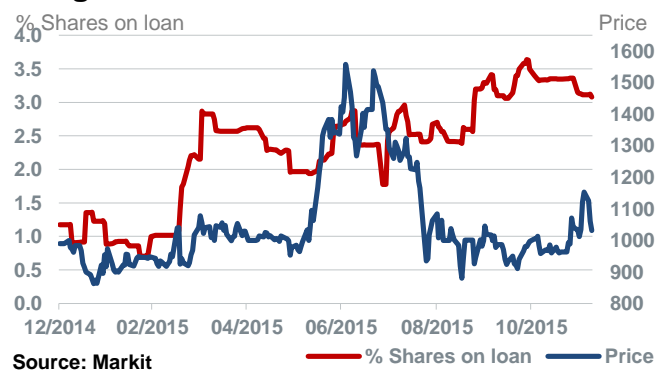
Most shorted in Apac is Kumiai Chemical Industry with 4.1% of shares outstanding on loan. Short sellers in the Japanese agricultural chemical firm covered almost 20% of positions in November and December as shares have remained buoyant since September, rising some 35%.

### Kumiai Chemical Industry Co Ltd



Second most shorted ahead of earnings in Apac is Japanese housing and construction firm Nihon House Holdings. Short interest has increased fivefold in the last three months to reach 4.2% of shares outstanding on loan currently.

### Enigmo Inc



Short sellers have increased stakes in Enigmo whose volatile shares rose and then subsequently fell by a third during the middle of the year. The company operates an online social shopping site “BUYMA” and has seen shares outstanding on loan increase to 3.1%.

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