

# 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 and energy stocks still feeling the pressure of low energy prices and short selling activity
- Russian exposure catalyses short interest in property group Immofinanz
- Australian retailer Myer Holdings is the most short sold in Apac with 19.7% shares on loan

## North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Pacific Rubiales Energy Corp	Oil & Gas Exploration & Production	PRE	18/03/2015	18.3	-5%
Kb Home	Homebuilding	KBH	20/03/2015	17.4	-9%
Omeros Corp	Pharmaceuticals	OMER	16/03/2015	13.9	50%
Badger Daylighting Ltd	Construction & Engineering	BAD	18/03/2015	13.8	31%
Inovio Pharmaceuticals Inc	Biotechnology	INO	16/03/2015	13.7	-8%
Molycorp Inc	Diversified Metals & Mining	MCP	16/03/2015	13.5	7%
Synergy Pharmaceuticals Inc	Biotechnology	SGYP	17/03/2015	13.4	13%
Transcontinental Inc	Commercial Printing	TCL.A	17/03/2015	13.0	-7%
Exone Co	Industrial Machinery	XONE	16/03/2015	11.6	-9%
Quiksilver Inc	Apparel, Accessories & Luxury Goods	ZQK	16/03/2015	11.4	9%
Lennar Corp	Homebuilding	LEN	19/03/2015	10.8	-16%
Plug Power Inc	Electrical Components & Equipment	PLUG	17/03/2015	10.8	-14%
Magicjack Vocaltec Ltd	Alternative Carriers	CALL	16/03/2015	9.3	1%
Surge Energy Inc	Oil & Gas Exploration & Production	SGY	19/03/2015	8.8	4%
Kite Pharma Inc	Biotechnology	KITE	16/03/2015	8.6	11%
Papa Murphy'S Holdings Inc	Restaurants	FRSH	17/03/2015	8.2	-13%
Biodelivery Sciences International Inc	Pharmaceuticals	BDSI	16/03/2015	7.9	-12%
Ensign Energy Services Inc	Oil & Gas Drilling	ESI	16/03/2015	7.8	0%
Progenics Pharmaceuticals Inc	Biotechnology	PGNX	16/03/2015	7.6	-12%
Factset Research Systems Inc	Application Software	FDS	17/03/2015	7.4	-13%

Pacific Rubiales Energy is the most shorted stock in North America this week ahead of earnings. The Canadian listed and self-proclaimed “leading Latin American focused explorer and producer” of oil has seen shares outstanding on loan increase by 170% in the last six months to 18.3%.

### Pacific Rubiales Energy Corp



Despite Pacific being a low cost producer with **reported** sustainable cash operating costs of ~\$28boe (barrel of oil equivalent), against a current WTI price of oil of \$47 dollars per barrel, short sellers have continued to

increase bets against the firm as the shares have declined by 82% in the past six months.

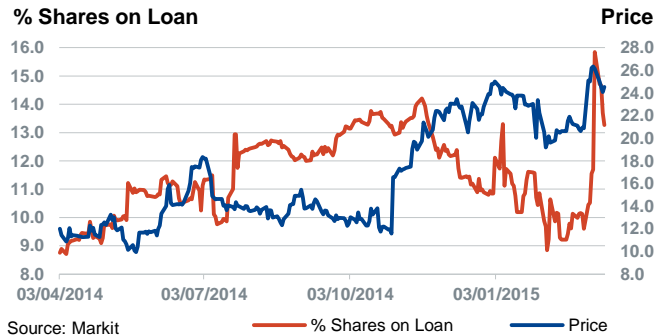
### Badger Daylighting Ltd



In the top five most short sold is Badger Daylighting; the proportion of the company’s shares out on loan has increased by 30% in the last month to 13.5%. The firm provides non-destructive excavation services to civil engineering projects with a large exposure to the oil industry. As North American shale oil production peaks and expansion projects are put on hold, the service industry has begun to contract due to sustained lower oil prices.

Second most short sold in North America is KB Home which **continues** to be heavily shorted as the proportion of its shares out on loan has increased by 10% in the last three months from 17.4%. Shares in the homebuilder are up 8.1% with short sellers holding their ground.

**Omeros Corp**



Source: Markit

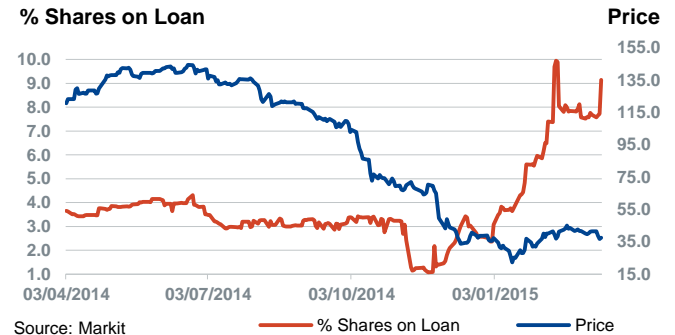
Rounding out the top three is Biotech firm Omeros which saw a significant 19% jump in short interest the last week in conjunction with a 44% increase in its share price. Shares out on loan stand at 13.9% and the Seattle based company hopes to develop and commercialise small-molecule protein therapeutics.

**Western Europe**

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Telecom Italia Spa	Integrated Telecommunication Services	TIT	20/03/2015	14.3	-5%
Enquest Plc	Oil & Gas Exploration & Production	ENQ	20/03/2015	9.1	14%
Immofinanz Ag	Real Estate Operating Companies	IIA	19/03/2015	7.2	32%
Maire Tecnimont Spa	Construction & Engineering	MT	20/03/2015	6.2	5%
Direktorsch Ag	Wireless Telecommunication Services	DRI	21/03/2015	6.0	9%
Rheinmetall Ag	Industrial Conglomerates	RHM	20/03/2015	5.1	-21%
Sgl Carbon Se	Electrical Components & Equipment	SGL	19/03/2015	4.5	26%
Lanxess Ag	Diversified Chemicals	LXS	20/03/2015	4.2	-15%
Leoni Ag	Auto Parts & Equipment	LEO	18/03/2015	4.1	-13%
Viel Et Cie Sa	Investment Banking & Brokerage	VIL	20/03/2015	3.8	197%
Ei Towers Spa	Communications Equipment	EIT	20/03/2015	2.6	1121%
Schoeller Bleckmann Oilfield Equipment Ag	Oil & Gas Equipment & Services	SBO	20/03/2015	3.7	19%
Royal Imtech Nv	Construction & Engineering	IM	19/03/2015	3.5	15%
Antofagasta Plc	Diversified Metals & Mining	ANTO	18/03/2015	3.3	14%
Gameioft Se	Application Software	GFT	19/03/2015	3.3	114%
U Blox Holding Ag	Semiconductors	UBXN	20/03/2015	2.8	7%
Cancom Se	IT Consulting & Other Services	COK	19/03/2015	2.6	-13%
Gerry Weber International Ag	Apparel, Accessories & Luxury Goods	GW1	17/03/2015	2.7	51%
Dphir Energy Plc	Oil & Gas Exploration & Production	OPHR	20/03/2015	2.5	-33%
Cape Plc	Diversified Support Services	CIU	19/03/2015	2.4	15%

In the UK, short sellers have circled in on EnQuest, an oil and gas development and production company based in the North Sea. The firm is currently developing the large **Kraken** project and has over the last 12 months seen shares out on loan increase more than double to 9.1% while its share price has dived by 70%.

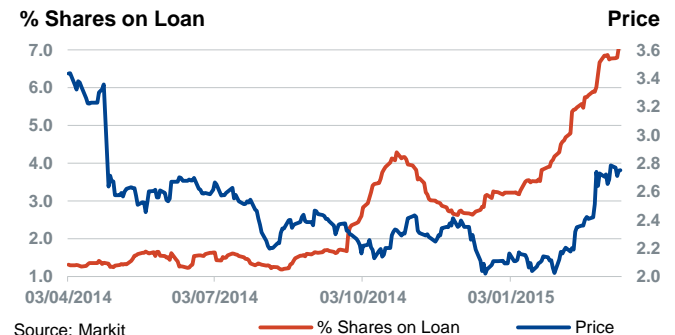
**Enquest Plc**



Source: Markit

The group recently **disclosed** that it has hedged part of production for 2015, cut capital expenditure, and improved debt covenants with bankers in an effort to trim its operating costs by a tenth. This announcement saw short sellers retreat slightly as shares outstanding on loan decreased by 14% over the last month.

**Immofinanz Ag**



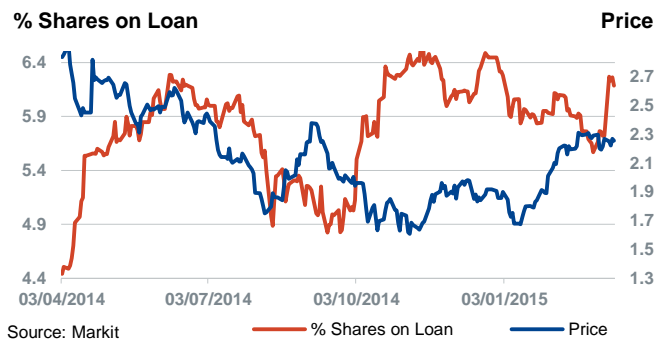
Source: Markit

Property group Immofinanz, based in Vienna, has attracted short sellers as evidenced by shares out on loan increasing by 73% since February 2015 ahead of earnings. Short sellers have continued to increase their positions while the share price rallied by 36% over the same time period.

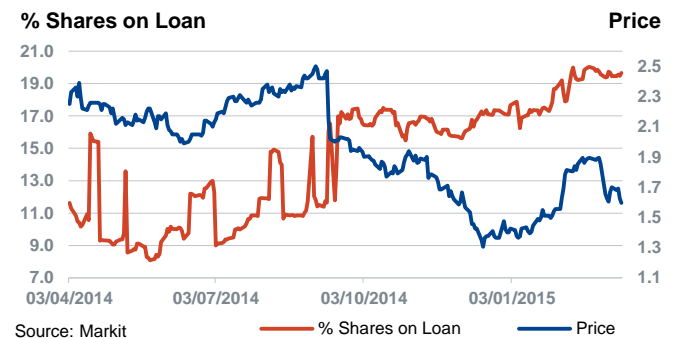
A third of Immofinanz's business is exposed to Russia and the Ukraine crisis has been cited as a negative factor by management affecting the share price and short interest. The shares however have rallied and the group announced this week a further share repurchase programme to be carried out in 2015, similar to that of 2014.

The fourth most shorted European company announcing earning next week is Milan listed Maire techimont. The company provides engineering and contracting services to the oil & gas, petrochemicals and fertilizer industries. The firm has seen short interest climb to 6.2% with the share price increasing 22% year to date.

**Maire Tecnimont Spa**



**Myer Holdings Ltd**

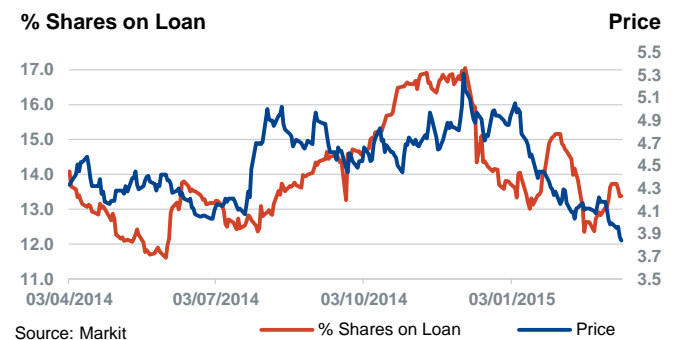


Second most shorted in Apac is China Coal Energy which has sent short sellers covering in recent months with shares outstanding on loan and the share price both decreasing by 20%. Sales forecasts for the producer and trader of coal have been lowered for the year ending December 2014 ahead of earnings, as coal prices worldwide sustain **multi year lows**.

**Asia Pacific**

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Myer Holdings Ltd	Department Stores	MYR	20/03/2015	19.7	2%
China Coal Energy Co Ltd	Coal & Consumable Fuels	1898	21/03/2015	13.4	-3%
Yanzhou Coal Mining Co Ltd	Coal & Consumable Fuels	1171	21/03/2015	11.4	-5%
Karoon Gas Australia Ltd	Oil & Gas Exploration & Production	KAR	17/03/2015	8.6	5%
Aluminum Corp Of China Ltd	Aluminum	2600	18/03/2015	8.4	-11%
Li Ning Co Ltd	Apparel, Accessories & Luxury Goods	2331	19/03/2015	8.1	-6%
Celltrion Inc	Pharmaceuticals	068270	20/03/2015	8.0	11%
Zijin Mining Group Co Ltd	Gold	2899	21/03/2015	7.1	11%
China Yurun Food Group Ltd	Packaged Foods & Meats	1068	21/03/2015	6.6	1%
Daewoo Shipbuilding & Marine Engineering Co Lt	Construction Machinery & Heavy Trucks	042660	18/03/2015	6.4	-1%
Kingsoft Corp Ltd	Home Entertainment Software	3888	21/03/2015	6.2	4%
Byd Co Ltd	Automobile Manufacturers	1211	20/03/2015	6.3	-15%
China Oilfield Services Ltd	Oil & Gas Drilling	2883	19/03/2015	6.3	7%
Radiant Opto-Electronics Corp	Semiconductors	6176	21/03/2015	5.2	17%
China Shanshui Cement Group Ltd	Construction Materials	691	21/03/2015	4.6	55%
Hilong Holding Ltd	Oil & Gas Equipment & Services	1623	21/03/2015	4.4	-8%
Lumens Co Ltd	Semiconductors	038060	21/03/2015	4.6	-2%
Want Want China Holdings Ltd	Packaged Foods & Meats	151	18/03/2015	4.4	9%
Unizyx Holding Corp	Communications Equipment	3704	18/03/2015	4.1	-4%
Adata Technology Co Ltd	Semiconductors	3260	17/03/2015	3.7	-8%

**China Coal Energy Co Ltd**



Most shorted in Apac this week is Myer Holdings, Australia's largest department store group. The company's shares out on loan have increased steadily over the last six months to 19.7% while its share price has decreased by 17%. The group has seen sales and earnings stagnate since 2010 which resulted in the chairmen recently issuing a newsletter to shareholders informing them of new incoming ceo.

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