

Most shorted ahead of earnings

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

- Changing fashion sees US apparel retailers attract shorts ahead of earnings
- Wirecard the most shorted company announcing earnings in Europe this week
- Acer continues to feature among the heavily shorted Asian companies

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Hibbett Sports Inc	Specialty Stores	HIBB	05/20/2016	25.6	1%
Stage Stores Inc	Apparel Retail	SSI	05/19/2016	24.5	-1%
Buckle Inc	Apparel Retail	BKE	05/20/2016	19.5	8%
Cracker Barrel Old Country Store	Restaurants	CBRL	05/17/2016	18.8	-4%
Dycom Industries Inc	Construction & Engineering	DY	05/17/2016	17.4	-1%
Rex American Resources Corp	Oil & Gas Refining & Marketing	REX	05/19/2016	15.8	-8%
Take-Two Interactive Software Inc	Home Entertainment Software	TTWO	05/18/2016	15.7	4%
American Eagle Outfitters Inc	Apparel Retail	AEO	05/18/2016	14.6	-6%
Amaya Inc	Casinos & Gaming	AYA	05/16/2016	14.3	9%
Navidea Biopharmaceuticals Inc	Biotechnology	NAVB	05/17/2016	14.2	6%
Viasat Inc	Communications Equipment	VSAT	05/17/2016	10.7	-1%
Foot Locker Inc	Apparel Retail	FL	05/20/2016	10.6	-29%
Monro Muffler Brake Inc	Automotive Retail	MNRO	05/19/2016	10.1	6%
Penn West Petroleum Ltd	Oil & Gas Exploration & Production	PWT	05/16/2016	10.0	-8%
Gap Inc	Apparel Retail	GPS	05/19/2016	9.9	12%
Deere & Co	Agricultural & Farm Machinery	DE	05/20/2016	9.3	4%
Akorn Inc	Pharmaceuticals	AKRX	05/16/2016	9.2	-22%
Childrens Place Inc	Apparel Retail	PLCE	05/17/2016	9.2	49%
Seres Therapeutics Inc	Biotechnology	MCRB	05/16/2016	8.4	-10%
Red Robin Gourmet Burgers Inc	Restaurants	RRGB	05/17/2016	8.3	10%

Hibbett short sellers given that demand to borrow the retailers shares shot past the 25% of shares outstanding for the first time in over two years.

Sports shoe retailer, Foot Locker, also finds itself on the heavily shorted list with over 10% of the firm's shares out on loan.

In the clothing retailers Stage Store and Buckle which have both seen their shares trade at recent lows over the last few weeks round out the top three most shorted names announcing earnings next week.

After a tough week for large US retailers, next week sees a wave of specialty and apparel retailers dominate the list of heavily shorted companies announcing earnings.

Hibbett Sports Inc



Sports retailer Hibbett Sports finds itself as the most shorted US company ahead of earnings with 25.6% of its shares out on loan. Sports retailers have had a tough first quarter culminating in the recent chapter 11 bankruptcy filing of Sport Authority in early March. This looks to have emboldened

Buckle Inc



Farm equipment Deere also makes the heavily shorted list with over 9.3% of its shares out on loan. Deere has seen its business suffer in the wake of the commodities downturn which has seen the firm's most recent yearly revenue fall by over 20% from the previous year. This has made the firm a short target although demand to

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borrow the firm's shares has fallen somewhat in recent months as the current short interest is 20% off the highs seen in early March.

Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Wirecard Ag	Data Processing & Outsourced Services	WDI	05/19/2016	24.5	-2%
Fislmith & Co A/S	Construction & Engineering	FLS	05/18/2016	9.2	-16%
Burberry Group Plc	Apparel, Accessories & Luxury Goods	BRBY	05/18/2016	6.9	-12%
Solocal Group Sa	Publishing	LOCAL	05/20/2016	6.5	-10%
Btg Plc	Pharmaceuticals	BTG	05/17/2016	6.1	-6%
Victrex Plc	Specialty Chemicals	VCT	05/16/2016	5.8	-28%
Sonova Holding Ag	Health Care Equipment	SOON	05/18/2016	5.8	-19%
Electrocomponents Plc	Technology Distributors	ECM	05/19/2016	5.6	-10%
Marston'S Plc	Restaurants	MARS	05/18/2016	5.6	-11%
Onflame Holding Ag	Personal Products	ORI	05/18/2016	5.3	-5%

Most shorted ahead of earnings this week in Europe is Wirecard which has been the target of activist short seller **Zatarra Research** which alleged the firm of fraud. While Wirecard shares have recovered strongly from their lows post the allegations coming to light, short sellers have been staying the course as demand to borrow its shares has remained near the 24% of shares outstanding mark despite the 30% adverse price movement.

Wirecard Ag



Another high conviction short announcing earnings this week is UK fashion retailer Burberry. The stock currently has 7% of its shares shorted ahead of its earnings update on Wednesday. The company has been hit by slowing demand from emerging Asian markets, most specifically China, which sent its shares tumbling last year. Short sellers have been actively adding to their position as the firm's shares retreated in earnest, but

demand to borrow its shares has retreated from the highs seen earlier in the year when 9% of Burberry shares were out on loan.

Burberry Group Plc



Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Hotel Shilla Co Ltd	Specialty Stores	008770	05/16/2016	15.4	-2%
Cosmax Inc	Personal Products	192820	05/16/2016	9.3	-9%
Celtrion Inc	Biotechnology	068270	05/16/2016	9.7	-10%
Samsung Heavy Industries Co Ltd	Construction Machinery & Heavy Trucks	010140	05/16/2016	10.8	-2%
Sungchang Enterprise Holdings Ltd	Forest Products	000180	05/16/2016	7.6	181%
Gs Engineering & Construction Corp	Construction & Engineering	063660	05/16/2016	9.7	5%
Acer Inc	Technology Hardware, Storage & Peripherals	2353	05/17/2016	8.2	-1%
Doosan Infracore Co Ltd	Industrial Machinery	042670	05/16/2016	7.8	10%
Epistar Corp	Semiconductors	2448	05/17/2016	7.8	20%
Gome Electrical Appliances Holding Ltd	Computer & Electronics Retail	493	05/16/2016	7.6	76%

In Asia, hotel operator Hotel Schilla is the most shorted firm announcing earnings in the region with 15% of its shares out on loan. Short sellers have been circling round the firm as its duty free and hotel business came under pressure from falling Chinese visitor numbers. This means that demand to borrow its shares is now over five times the levels seen 12 months ago.

Hotel Shilla Co Ltd



Perennial short Acer also makes the list of heavily shorted Asian shares ahead of earnings with 8.2% of its shares out on loan.

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