

Most shorted ahead of earnings

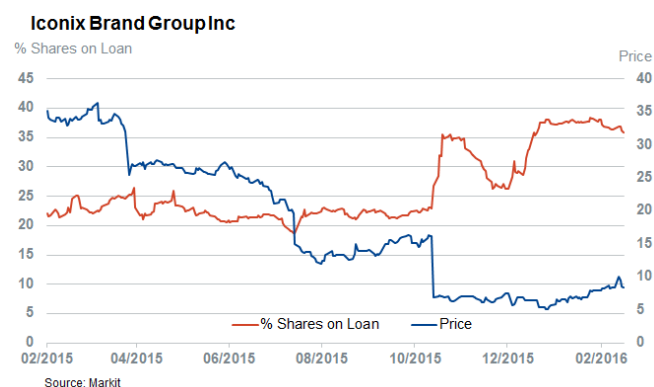
A review of how short sellers are positioning themselves in companies due to announce results in the coming week.

- Iconix Brand Group is top global short target after disastrous third quarter earnings
- Telecom Italia leads the heavily shorted European firms announcing earnings this week
- Aluminium Company of China sees a massive jump in short interest in run-up to earnings

North America

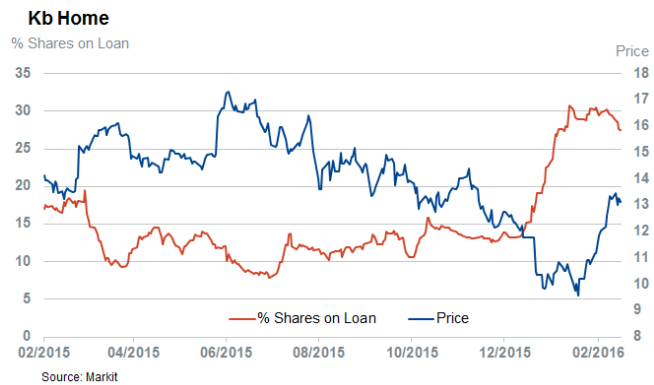
Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Iconix Brand Group Inc	Apparel, Accessories & Luxury Goods	ICON	3/15/2016	35.9	-5%
Rex Energy Corp	Oil & Gas Exploration & Production	REXX	3/16/2016	32.7	-25%
Kb Home	Homebuilding	KBH	3/18/2016	27.5	-5%
Badger Daylighting Ltd	Construction & Engineering	BAD	3/17/2016	27.2	-9%
3D Systems Corp	Technology Hardware, Storage & Perip	DDD	3/15/2016	20.1	-5%
A. M. Castle & Co	Steel	CAS	3/14/2016	20.0	19%
Inovio Pharmaceuticals Inc	Biotechnology	INO	3/14/2016	19.4	-9%
Jamba Inc	Restaurants	JMBA	3/14/2016	17.5	-3%
Lands End Inc	Internet Retail	LE	3/17/2016	15.8	-3%
Mattress Firm Holding Corp	Homefurnishing Retail	MFRM	3/17/2016	15.2	-6%
Mannkind Corp	Biotechnology	MNKD	3/14/2016	14.3	-10%
Autocanada Inc	Automotive Retail	ACQ	3/17/2016	14.3	-6%
Navidea Biopharmaceuticals Inc	Biotechnology	NAV	3/17/2016	13.7	4%
Lennar Corp	Homebuilding	LEN	3/17/2016	13.7	29%
Bon-Ton Stores Inc	Department Stores	BONT	3/15/2016	13.2	-4%
Solazyme Inc	Specialty Chemicals	SZYM	3/14/2016	12.9	-2%
Amaya Inc	Casinos & Gaming	AYA	3/14/2016	12.8	-8%
Lululemon Athletica Inc	Apparel, Accessories & Luxury Goods	LULU	3/17/2016	12.7	-10%

Fashion conglomerate Iconix Brand, whose portfolio includes such names as Ed Hardy and Lee Cooper, finds itself the most shorted company announcing earnings this week. Short sellers have circled since the firm announced disappointing results which saw half its share price wiped out. The slump in stock price came after the firm lowered its guidance based on weaker than expected demand for merchandise linked to the popular Peanuts franchise, which Iconix acquired the rights to in 2010. Demand to borrow Iconix shares from short sellers was already high at over 20% before the last earnings update, but the price collapse has done little to satiate bearish investor sentiment as short sellers have gone on to increase their positions by over 50% in the last three months.



Another high conviction short announcing earnings in the fashion sector next week is sportswear firm Lululemon which has 12.7% of shares out on loan. The company also proved to be profitable for short sellers last year, but bets against the firm have waned heading into this earnings season. Shorting activity has fallen by a tenth over the last month.

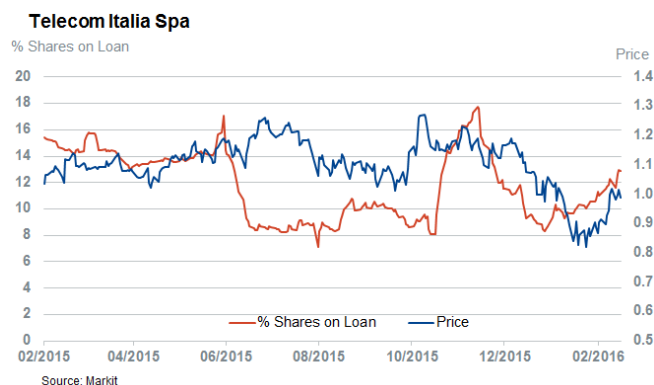
Homebuilders are another top short target for the week ahead which comes at the heels of disappointing results from fellow builder Hovnanian last week. This weakness in US homebuilding has emboldened short sellers in the rest of the sector. KB Home and Lennar, which are due to announce earnings on Wednesday and Thursday respectively, both see short activity hover near yearly highs.



Western Europe

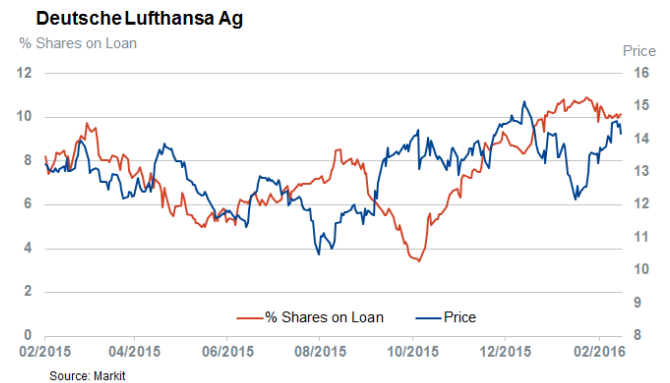
Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Telecom Italia Spa	Integrated Telecommunication Services	TIT	03/17/2016	12.9	24%
Aryzta Ag	Packaged Foods & Meats	ARYN	03/14/2016	11.8	16%
Enquest Plc	Oil & Gas Exploration & Production	ENQ	03/17/2016	11.0	-2%
Deutsche Lufthansa Ag	Airlines	LHA	03/17/2016	10.1	-5%
Hansteen Holdings Plc	Industrial REITs	HSTN	03/15/2016	9.5	-9%
Schoeller Bleckmann Oilfield Equip	Oil & Gas Equipment & Services	SBO	03/17/2016	9.3	-11%
Salzgitter Ag	Steel	SZG	03/18/2016	8.9	-32%
Fraport Frankfurt Airport Services	Airport Services	FRA	03/16/2016	8.6	1%
Gerry Weber International Ag	Apparel, Accessories & Luxury Goods	GW11	03/16/2016	8.5	-10%
Tod's Spa	Footwear	TOD	03/14/2016	7.0	-3%
Antofagasta Plc	Diversified Metals & Mining	ANTO	03/15/2016	6.7	5%
Immofinanz Ag	Real Estate Operating Companies	IAA	03/16/2016	6.1	4%
Galenica Ag	Pharmaceuticals	GALN	03/15/2016	6.0	-8%
Salvatore Ferragamo Spa	Apparel, Accessories & Luxury Goods	SFER	03/17/2016	5.8	-9%
U Blox Holding Ag	Semiconductors	UBXN	03/18/2016	5.2	15%
Dufry Ag	Specialty Stores	DUFN	03/16/2016	5.1	-14%
Assicurazioni Generali Spa	Multi-line Insurance	G	03/18/2016	4.9	2%
Vossloh Ag	Construction Machinery & Heavy Truck	VOS	03/17/2016	4.8	1%
Safilo Group Spa	Apparel, Accessories & Luxury Goods	SFL	03/14/2016	4.4	6%
Maire Tecnimont Spa	Construction & Engineering	MT	03/16/2016	4.3	-25%

Italian telecom firm Telecom Italia is the most shorted company announcing earnings in Europe next week as just under 13% of the firm's shares are out on loan. Telecom Italia has seen its shorting activity increase by a quarter in the last month. But it's worth noting that this number could be skewed, as the firm has a large convertible bond issue outstanding which makes it susceptible to arbitrage between these bonds and its equity.



Several Italian fashion houses also find themselves in the most shorted list with Tod's, Salvatore Ferragamo and Safilo Group all seeing more than 4% of their shares shorted. Bearish sentiment in the sector stems from price slumps driven by questions about the demand for luxury goods worldwide in the wake of the recent economic slowdown.

Negative sentiment towards shares announcing earnings this week is not restrained to Italian firms, as German airline Lufthansa sees over 10% of its shares shorted before its earnings announcement on Thursday. This represents an all-time high for the firm as investors worry about the company's ability to compete with low cost carriers and upstart Eastern long haul carriers.

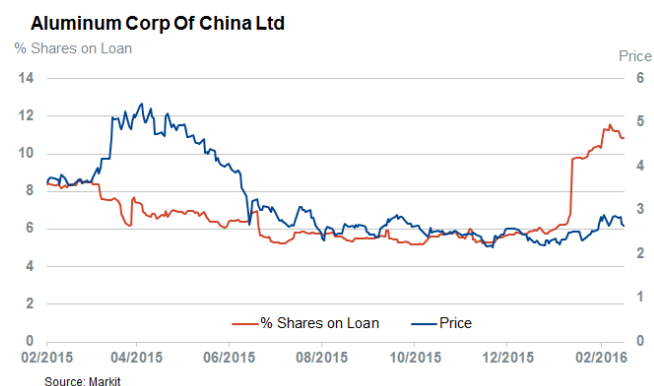


Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Aluminum Corp Of China Ltd	Aluminum	2600	03/17/2016	10.9	11%
Oci Co Ltd	Diversified Chemicals	010060	03/14/2016	10.0	-1%
Samsung Heavy Industries Co Ltd	Construction Machinery & Heavy Truck	010140	03/14/2016	8.3	-6%
Elite Advanced Laser Corp	Semiconductors	3450	03/17/2016	7.4	102%
Sunny Optical Technology Group	Electronic Components	2382	03/14/2016	7.2	5%
Epistar Corp	Semiconductors	2448	03/16/2016	6.8	-3%
Fukuyama Transporting Co Ltd	Trucking	9075	03/15/2016	6.7	-4%
Want Want China Holdings Ltd	Packaged Foods & Meats	151	03/15/2016	6.5	0%
Morpho Inc	Application Software	3653	03/14/2016	6.3	-35%
Supreme Electronics Co Ltd	Technology Distributors	8112	03/14/2016	5.2	-7%
Sk Securities Co Ltd	Investment Banking & Brokerage	001510	03/14/2016	5.1	-1%
Everlight Electronics Co Ltd	Semiconductors	2393	03/18/2016	5.0	0%
Gintech Energy Corp	Semiconductors	3514	03/18/2016	5.0	8%
Chailease Holding Co Ltd	Specialized Finance	5871	03/14/2016	4.9	7%
Hanstar Display Corp	Electronic Manufacturing Services	6116	03/17/2016	4.9	-7%
Taiwan Tea Corp	Food Distributors	2913	03/17/2016	4.9	-3%
Hanmi Pharm Co Ltd	Pharmaceuticals	128940	03/14/2016	4.8	3%
Li & Fung Ltd	Apparel, Accessories & Luxury Goods	494	03/17/2016	4.6	-8%
Xinyi Solar Holdings Ltd	Semiconductor Equipment	968	03/15/2016	4.0	0%
Paradise Co Ltd	Casinos & Gaming	034230	03/14/2016	4.0	-13%

This week also promises to be a busy one for Asian short sellers as 20 firms see more than 4% of their shares out on loan heading into

earnings. The most shorted form of the lot is Hong Kong listed Aluminium Corp of China which has seen its short interest more than double since the start of the year as Chinese growth continues to stall.



Another popular way to play the Chinese slowdown has been to short shipping related shares. This week sees shipbuilding firm Samsung Heavy Industries enter this earnings season with an all-time high short interest after having seen its shares nearly halve in the last 12 months as the shipping industry cuts back on new ships to deal with a glut of supply.

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