

Most shorted ahead of earnings

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

- US homebuilders KB and Lennar join Carmax as the most shorted stocks in North America
- UK's Majestic Wine's shares soar as shorts cover ahead of earnings...and Brexit vote
- South Korean firm Viomed is the most shorted in Apac

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Kb Home	Homebuilding	KBH	06/21/2016	28.0	8%
Lindsay Corp	Agricultural & Farm Machinery	LNN	06/23/2016	24.7	-6%
Carmax Inc	Automotive Retail	KMX	06/21/2016	22.3	5%
Bed Bath & Beyond Inc	Homefurnishing Retail	BBBY	06/22/2016	11.5	12%
Actuant Corp	Industrial Machinery	ATU	06/22/2016	10.4	-4%
Lennar Corp	Homebuilding	LEN	06/21/2016	10.3	-1%
Finish Line Inc	Apparel Retail	FINL	06/24/2016	9.9	36%
Winnipeg Industries Inc	Automobile Manufacturers	WGO	06/22/2016	9.6	-7%
Commercial Metals Co	Steel	CMC	06/23/2016	8.6	-4%
BlackBerry Ltd	Technology Hardware, Storage & Peripherals	BB	06/24/2016	7.8	-12%

Most shorted ahead of earnings this week in North America is US home builder KB Home with 28% of its shares currently outstanding on loan (short interest).

KB Home



Shorts had previously covered positions in the stock since February as shares rallied but the stock has once again come under pressure with a jump in shorting levels seen recently. Lennar, another US home builder, joins KB with a recent 25% jump in short interest, rising to 10.3%.

Lennar Corp



Meanwhile short sellers have covered positions in Lindsay Corp, a previous **most shorted** stock. Short interest has declined to just under one quarter of shares outstanding on loan. While still remaining heavily shorted, the irrigation system provider's shares have fallen 4.7% year to date as its earnings have continued to deteriorate.

Lindsay Corp



Short sellers have continued to build up positions in used car business Carmax. Short

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interest has climbed higher to 22.3% in the past 12 months while shares in the company have fallen by one third. Shorts continue to target the firm as growth falls short of expectations, despite the firm posting sales and earnings growth.

Carmax Inc



Other notable North American firms making the top ten host shorted include Winnebago and BlackBerry which have both seen short sellers cover with short interest declining to 9.6% and 7.8% respectively.

Meanwhile Bed Bath & Beyond still attracts meaningful short interest levels with 11.6% of shares outstanding on loan. Shares have fallen 12% year to date after plummeting 37% in 2015.

Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Zumtobel Group Ag	Electrical Components & Equipment	ZAG	06/22/2016	6.2	-14%
Majestic Wine Plc	Food Retail	WINE	06/20/2016	4.2	-23%
Grenobloise D'Electronique Et D'Automatism	Electronic Equipment & Instruments	GEA	06/24/2016	3.9	0%
Etablissementen Franz Colruyt Nv	Food Retail	COLR	06/21/2016	4.0	-1%
H & M Hennes & Mauritz Ab	Apparel Retail	HM B	06/22/2016	2.3	-8%
Carnival Plc	Hotels, Resorts & Cruise Lines	CCL	06/23/2016	1.3	-10%

Most shorted ahead of earnings in Europe is Austrian based lighting solutions provider Zumtobel. With 6.2% of shares outstanding on loan, shares in the light maker have cratered over 50% in 2016 with consensus forecasts pointing to a loss being posted for the company's fourth quarter.

Zumtobel Group Ag



Second most shorted in Europe is UK wine retailer Majestic Wine. The company has seen shares rally 45% in the past six months which has sent short sellers covering. Shorts have closed out a third of positions in the past three months with short interest of 4.2% currently. Shares however are still trading below 2013 highs and full year earnings are expected to be half of that achieved in 2014.

Majestic Wine Plc



Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Viromed Co Ltd	Biotechnology	084990	06/21/2016	4.4	4%
Luk Fook Holdings International Ltd	Specialty Stores	590	06/23/2016	3.1	1%
Takashimaya Co Ltd	Department Stores	8233	06/24/2016	2.4	17%
Leenos Corp	Communications Equipment	039980	06/21/2016	1.9	10%
Prada Spa	Apparel, Accessories & Luxury Goods	1913	06/20/2016	1.7	0%
Hc International Inc	Internet Software & Services	2280	06/21/2016	1.5	-16%
Orient Bio Inc	Life Sciences Tools & Services	002630	06/20/2016	1.4	11%
Naxon Gt Co Ltd	Home Entertainment Software	041140	06/21/2016	1.5	15%
Sa Sa International Holdings Ltd	Specialty Stores	178	06/23/2016	1.4	-20%

Most shorted ahead of earnings in Apac is Korean biotech firm Viromed with 4.4% of shares outstanding on loan.

Viomed Co Ltd



Shares in Viomed, which focuses on protein-based therapeutics for life threatening diseases, have drifted lower in 2016, falling almost 22.6% year to date.

Luk Fook Holdings International Ltd



Second most shorted ahead in Apac is Luk Fook Holdings which operates speciality jewellery stores in Hong Kong and China. The company currently has 3.1% of shares outstanding on loan.

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