

Most shorted ahead of earnings

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

- Short sellers in Gamestop holding ground despite a recent share price rally
- European short sellers target infrastructure, two of which are set to trim dividends in the near future
- New Zealand listed Kathmandu sees the largest surge in short interest ahead of earnings

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Gamestop Corp	Computer & Electronics Retail	GME	26/03/2015	43.0	1%
Lindsay Corp	Agricultural & Farm Machinery	LNN	25/03/2015	24.0	4%
Ocwen Financial Corp	Thriffs & Mortgage Finance	OCN	27/03/2015	16.2	9%
Winnebago Industries Inc	Automobile Manufacturers	WGO	26/03/2015	14.2	15%
Legacy Oil + Gas Inc	Oil & Gas Exploration & Production	LEG	25/03/2015	12.7	30%
Five Below Inc	Specialty Stores	FIVE	25/03/2015	12.7	-38%
Agf Management Ltd	Asset Management & Custody Banks	AGF B	25/03/2015	11.6	-13%
Blackberry Ltd	Technology Hardware, Storage & Peripherals	BB	27/03/2015	9.9	4%
Restoration Hardware Holdings Inc	Homefurnishing Retail	RH	27/03/2015	9.6	-1%
Rex American Resources Corp	Oil & Gas Refining & Marketing	REX	25/03/2015	9.1	-15%
Directcash Payments Inc	Diversified Support Services	DCI	26/03/2015	7.9	2%
Lands End Inc	Internet Retail	LE	26/03/2015	7.8	-12%
Deethree Exploration Ltd	Oil & Gas Exploration & Production	DTX	24/03/2015	7.8	-22%
Seabridge Gold Inc	Gold	SEA	27/03/2015	7.3	18%
Mccormick & Company Inc	Packaged Foods & Meats	MKC	24/03/2015	6.9	6%
Boyd Group Income Unt	Diversified Support Services	BYD UN	27/03/2015	6.9	12%
Exfo Inc	Communications Equipment	EXF	24/03/2015	6.4	2%
Yingli Gm Egy Hldg Adr Regp One Ord	Semiconductors	YGE	25/03/2015	5.8	-12%
Uranez Energy Corp	Coal & Consumable Fuels	URZ	27/03/2015	5.5	9%
Hb Fuller Co	Specialty Chemicals	FUL	26/03/2015	5.0	-11%

Shares in Gamestop have rallied after a robust holiday trading period and expectations of a continued strong first quarter in 2015. Short sellers continue to hold onto significant positions despite a 22% rally in GME shares year to date. Earlier this month, the firm announced a 9% increase in the annual dividend and stock repurchases have totalled \$2.1bn since 2010. Despite this, company has a significant 43% of shares outstanding on loan, by far the most of any constituent of the S&P 500.



The second most shorted company announcing earnings this week is irrigation firm Lindsay Corp which has 24% of shares out on loan, a number that has climbed after the firm posted falling year on year sales and profit figures in its last quarterly results.

Oil and gas exploration firms continue to feature heavily among heavily shorted shares this earnings season and this week, three firms make the list.

Legacy Oil + Gas tops the group having seen short interest surge by 30% in the month leading up to earnings.

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Meyer Burger Technology Ag	Industrial Machinery	MBTN	26/03/2015	16.5	-11%
Portugal Telecom Sgps Sa	Integrated Telecommunication Services	PTC	27/03/2015	11.8	-1%
Conwert Immobilien Invest Se	Real Estate Development	CWI	26/03/2015	11.5	1%
Kuka Ag	Industrial Machinery	KU2	26/03/2015	10.8	1%
Vossloh Ag	Construction Machinery & Heavy Trucks	VOS	26/03/2015	8.5	9%
Nanoco Group Plc	Semiconductors	NANO	23/03/2015	8.5	-8%
Balfour Beatty Plc	Construction & Engineering	BBY	26/03/2015	7.9	2%
Sma Solar Technology Ag	Semiconductor Equipment	S92	26/03/2015	7.7	-3%
Centamin Plc	Gold	CEY	24/03/2015	4.4	-20%
Lpkf Laser & Electronics Ag	Electronic Equipment & Instruments	LPK	24/03/2015	4.0	-6%
Pfeiffer Vacuum Technology Ag	Industrial Machinery	PFV	26/03/2015	3.9	14%
Iqe Plc	Semiconductors	IQE	24/03/2015	3.8	-10%
Charles Voegelé Holding Ag	Apparel Retail	VCH	24/03/2015	3.8	-9%
Manz Ag	Semiconductors	M5Z	27/03/2015	3.7	-5%
Evotec Ag	Life Sciences Tools & Services	EVT	24/03/2015	3.6	-2%
Abc Arbitrage Sa	Specialized Finance	ABCA	24/03/2015	3.3	0%
Bowleven Plc	Oil & Gas Exploration & Production	BLVN	25/03/2015	2.6	-8%
Aurelius Ag	Asset Management & Custody Banks	ARA	26/03/2015	2.5	137%
Metabolic Explorer Sa	Specialty Chemicals	METEX	23/03/2015	2.2	45%
Ca Immobilien Anlagen Ag	Real Estate Operating Companies	CAI	23/03/2015	2.1	-69%

Semiconductor and photovoltaic service provider, Myer Burger Technology top this list of most borrowed stocks ahead of announcing earnings. Short sellers have covered positions by 35% since November as the stock declined 20%. This short covering reflects the recent bullish sentiment seen in solar firms as the TAN ETF, which invests in solar firms is up sharply since the start of the year.

Another solar firm, SMA solar also makes this list of heavily shorted shares with just under 8% of its shares out on loan.

Meyer Burger Technology Ag

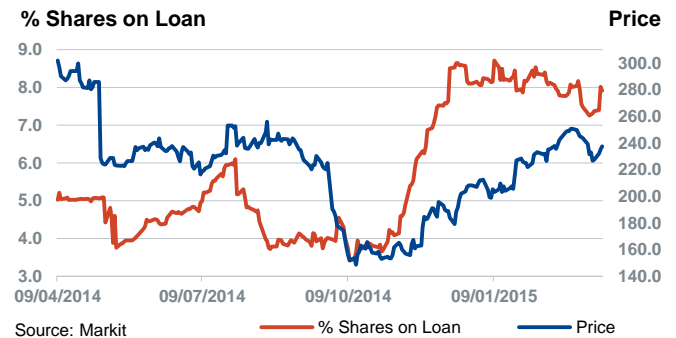


Source: Markit

Infrastructure firms account for two of the most shorted European firms ahead of earnings. Balfour Beatty and rail infrastructure group Vossloh, have 7.9% and 9% of shares outstanding on loan respectively. They are both expected to curtail tier capital redistribution programs according to Markit's dividend forecasting team, after experiencing

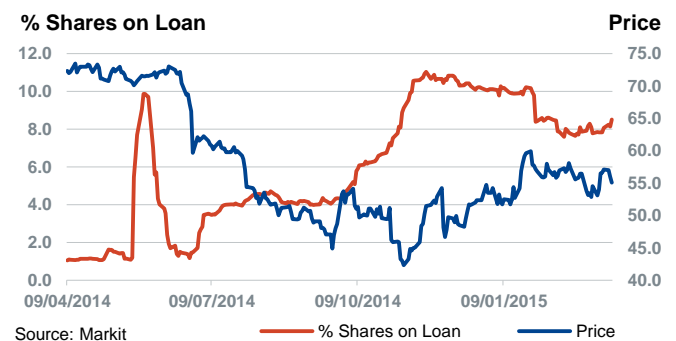
operating headwinds. Short sellers have stayed the course in both these firms despite a recent rally in share prices.

Balfour Beatty Plc



Source: Markit

Vossloh Ag



Source: Markit

Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Anhui Conch Cement Co Ltd	Construction Materials	914	23/03/2015	12.2	-12%
Yanzhou Coal Mining Co Ltd	Coal & Consumable Fuels	1171	27/03/2015	11.4	-3%
China Cosco Holdings Co Ltd	Marine	1919	26/03/2015	9.1	-10%
Aluminum Corp Of China Ltd	Aluminum	2600	26/03/2015	8.6	-7%
Gcl-Poly Energy Holdings Ltd	Semiconductor Equipment	3800	26/03/2015	8.1	4%
China Yurun Food Group Ltd	Packaged Foods & Meats	1068	27/03/2015	6.7	2%
Byd Co Ltd	Automobile Manufacturers	1211	27/03/2015	6.3	-19%
China Shipping Container Lines Co Ltd	Marine	2866	26/03/2015	5.4	-14%
Aac Technologies Holdings Inc	Electronic Manufacturing Services	2018	25/03/2015	5.3	0%
Gome Electrical Appliances Holding Ltd	Computer & Electronics Retail	493	23/03/2015	5.1	-3%
Anton Oilfield Services Group	Oil & Gas Equipment & Services	3337	26/03/2015	4.9	-13%
Genius Electronic Optical Co Ltd	Electronic Components	3406	27/03/2015	4.7	13%
China Modern Dairy Holdings Ltd	Agricultural Products	1117	23/03/2015	4.6	21%
Asia Optical Co Inc	Electronic Components	3019	27/03/2015	4.6	23%
Tiangong International Co Ltd	Steel	826	25/03/2015	4.5	7%
Kathmandu Holdings Ltd	Specialty Stores	KMD	24/03/2015	4.4	45%
Golden Eagle Retail Group Ltd	Department Stores	3308	23/03/2015	4.3	-4%
Lingsen Precision Industries Ltd	Semiconductors	2369	26/03/2015	4.3	34%
Biostrime International Holdings Ltd	Packaged Foods & Meats	1112	24/03/2015	4.2	-2%
Hanergy Thin Film Power Group Ltd	Semiconductor Equipment	566	24/03/2015	4.2	1%

Three firms heavily tied to Chinese growth make top the list of the most shorted Asian firms ahead of earnings. They are led by construction material firm Anhui Conch Cement. Anhui actually sees the least shorting activity in the run-up to earnings in

over a year. This is despite efforts from Chinese policy makers to shift away from an investment driven market which may cool construction in the country.

The other Chinese stocks rounding out the three most shorted Asian shares are coal firm Yanzhou Coal Mining and ship operator China Cosco Holdings, have also seen covering ahead of results announcements.

The largest spike in short interest ahead of earnings was seen in Kathmandu. Demand to borrow spiked by 45% in the last four weeks

after it issued a profit warning. The company now sees 4.4% of its shares out on loan, making it the most shorted company in New Zealand by quite a margin.

Relte Stephen Schutte

Analyst

Markit

Tel: +44 207 064 6447

Email: relte.schutte@markit.com

For further information, please visit www.markit.com

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