

Most shorted ahead of earnings

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

- Carbo Ceramics' stock price falls 28% while short interest jumps by 78%
- Short sellers cover 17% of positions as Kone's stock continues to rise
- Casio and Wacom face competition despite weakening yen's improving prospects

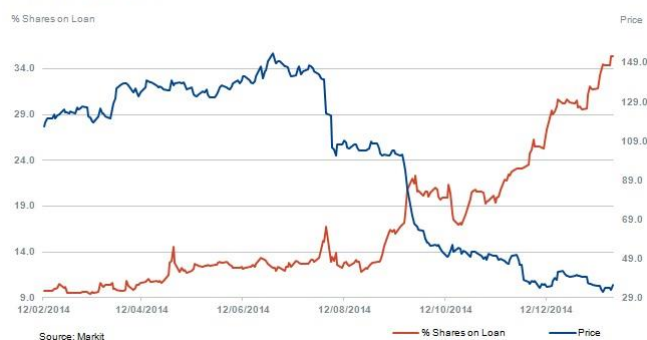
North America

As more companies start to report earnings as the year gets underway, there are a host of US companies with significant levels of short interest. In total there are 29 companies with more than 10% of shares outstanding out on loan ahead of earnings.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Carbo Ceramics Inc	Oil & Gas Equipment & Services	CRR	29/01/2015	35.3	16%
World Acceptance Corp	Consumer Finance	WRLD	29/01/2015	31.3	7%
Invensense Inc	Electronic Components	INVN	29/01/2015	26.3	-13%
Jetblue Airways Corp	Airlines	JBLU	29/01/2015	25.7	-7%
Adt Corp	Security & Alarm Services	ADT	28/01/2015	20.4	2%
United States Steel Corp	Steel	X	27/01/2015	20.1	21%
Accuray Inc	Health Care Equipment	ARAY	27/01/2015	19.9	-3%
Wesco International Inc	Trading Companies & Distributors	WCC	29/01/2015	19.5	-5%
Cgi Group Inc	IT Consulting & Other Services	GIB A	28/01/2015	18.8	-6%
Tuesday Morning Corp	General Merchandise Stores	TUES	29/01/2015	18.3	-8%
Ak Steel Holding Corp	Steel	AKS	27/01/2015	17.6	2%
Abaxis Inc	Health Care Equipment	ABAX	29/01/2015	16.7	2%
Peabody Energy Corp	Coal & Consumable Fuels	BTU	27/01/2015	16.5	24%
Rayonier Advanced Materials Inc	Specialty Chemicals	RYAM	28/01/2015	16.1	-4%
Canadian Oil Sands Ltd	Oil & Gas Exploration & Production	COS	29/01/2015	15.0	11%
Mdc Holdings Inc	Homebuilding	MDC	28/01/2015	13.8	7%
Deckers Outdoor Corp	Footwear	DECK	29/01/2015	13.7	4%
Monro Muffler Brake Inc	Automotive Retail	MNRO	27/01/2015	13.4	-5%
Core Laboratories Nv	Oil & Gas Equipment & Services	CLB	28/01/2015	13.4	13%
Capstead Mortgage Corp	Mortgage REITs	CMO	28/01/2015	13.1	-8%

Most shorted this week ahead of earnings is synthetic proppants supplier (small sand-like particles) to the fracking industry, Carbo Ceramics. Short sellers in have **continued** to increase their positions, with shares outstanding on loan rising by 78% since the end of October while the share price has decreased by 28%.

Carbo Ceramics Inc



Impacted by the lowest oil prices in six years, the oil industry and companies that support oil operations are now dealing with **confirmed cuts** in capital expenditure as capacity is brought off line. These capacity cuts are largely concentrated within high cost producers but also affect the majors as they too have adjusted budgets and cut headcounts. Other oil related firms making the top 20 most shorted companies include Canadian Oil Sands and Core laboratories with 15% and 13.4% of shares outstanding on loan ahead of earnings respectively.

In third place, just shy of the top position occupied this time **last year**, is motion tracking company Invensense. Attracting increased short selling activity, which peaked in October 2014 at 36% compared to 26.3%

of shares outstanding out on loan currently.

Invensense Inc



Short sellers cited increasing competition against the firm's products and limits to technology advancement as negative factors impacting the company's outlook. The stock is down 32% since October 2014.

Other notable North American short sales include alternative finance provider World Acceptance Corp, which sees second highest short interest at 31%, and security firm ADT (covered yesterday) with 20% of its shares outstanding on loan.

Western Europe

It was an eventful past week for investors in Europe as details of the €1.1 trillion ECB quantitative easing programme were finally released. Ahead of posting earnings and a hotly contested Greek election, it is interesting to note how short sellers are positioned ahead of another impactful week.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Kone Oyj	Industrial Machinery	KNEBV	29/01/2015	8.1	-16%
Axis Ab	Electronic Equipment & Instruments	AXIS	30/01/2015	6.1	-3%
Banco De Sabadell Sa	Diversified Banks	SAB	29/01/2015	5.9	3%
Atlas Copco Ab	Industrial Machinery	ATCO A	29/01/2015	5.6	4%
Banco Popular Espanol Sa	Diversified Banks	POP	30/01/2015	4.9	18%
Ab Skf	Industrial Machinery	SKF B	28/01/2015	4.3	-15%
Electrolux Ab	Household Appliances	ELUX B	28/01/2015	4.1	11%
Nokia Oyj	Communications Equipment	NOK1V	29/01/2015	3.4	-13%
Getinge Ab	Health Care Equipment	GETI B	28/01/2015	3.3	25%
Sandvik Ab	Industrial Machinery	SAND	29/01/2015	3.1	-14%
Zardoya Otis Sa	Industrial Machinery	ZOT	29/01/2015	2.9	17%
Software Ag	Systems Software	SOW	28/01/2015	2.4	18%
Cavention Oyj	Diversified Support Services	CAV1V	29/01/2015	2.1	23%
Infineon Technologies Ag	Semiconductors	IFX	29/01/2015	2.0	-3%
Premier Foods Plc	Packaged Foods & Meats	PFD	23/01/2015	2.0	-18%
Wartsila Oyj Abp	Industrial Machinery	WRT1V	29/01/2015	2.0	9%
Elisa Oyj	Integrated Telecommunication Services	ELI1V	30/01/2015	1.9	-12%
Pz Cussons Plc	Household Products	PZC	27/01/2015	1.8	13%
Qliro Group Publ Ab	Internet Retail	QLRO	28/01/2015	1.7	-34%
Banco Bpi Sa	Diversified Banks	BPI	29/01/2015	1.7	1%

Most shorted, and also sending short sellers covering recently, is elevator and escalator provider Kone Oyj. Supplier to London's Shard, the Helsinki based firm installs and maintains elevators and has had a stellar past three months' performance. The share price has risen by 28% while shares outstanding on loan have decreased by 17%. Despite losing an EU court battle regarding collusion in October 2014 and now liable for a fine, the company continues to post solid results and develop new products. However analysts are mixed on the firm's short term outlook after the strong run, with a current hold consensus in the market.

Kone Oyj



Seeing steady increases in short interest throughout last year in Europe is Banco De Sabadell with 5.9% of shares outstanding on loan. The Spanish based commercial bank has had a volatile year in terms of share price movements but is flat overall over the last 12 months. Short interest jumped by 252% ahead of the ECB's announcement on the January 22nd 2014.

Banco De Sabadell Sa



Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Casio Computer Co Ltd	Consumer Electronics	6952	29/01/2015	14.0	13%
Wacom Co Ltd	Technology Hardware, Storage & Peripherals	6727	30/01/2015	10.7	0%
Japan Communications Inc	Wireless Telecommunication Services	9424	29/01/2015	9.1	-2%
Whitehaven Coal Ltd	Coal & Consumable Fuels	WHC	30/01/2015	8.2	-1%
Macronix International Co Ltd	Semiconductors	2337	29/01/2015	7.0	8%
Monotaro Co Ltd	Trading Companies & Distributors	3064	29/01/2015	6.6	-14%
Advantest Corp	Semiconductor Equipment	6857	29/01/2015	6.5	-8%
Senko Co Ltd	Trucking	9069	30/01/2015	6.5	2%
Endo Lighting Corp	Electrical Components & Equipment	6932	30/01/2015	6.3	2%
Daihatsu Motor Co Ltd	Automobile Manufacturers	7262	29/01/2015	6.2	11%
Tsugami Corp	Industrial Machinery	6101	30/01/2015	6.1	2%
Adways Inc	Advertising	2489	30/01/2015	5.9	1%
Shiseido Co Ltd	Personal Products	4911	30/01/2015	5.7	16%
Hokkaido Gas Co Ltd	Gas Utilities	9534	30/01/2015	5.7	-12%
Htc Corp	Technology Hardware, Storage & Peripherals	2498	26/01/2015	5.5	-17%
Jvc Kenwood Corp	Consumer Electronics	6632	30/01/2015	5.2	-19%
Net One Systems Co Ltd	IT Consulting & Other Services	7518	30/01/2015	5.1	9%
Eisai Co Ltd	Pharmaceuticals	4523	30/01/2015	5.0	28%
Samsung Engineering Co Ltd	Construction & Engineering	028050	28/01/2015	4.9	39%
Osaka Titanium Technologies Co Ltd	Diversified Metals & Mining	5726	28/01/2015	4.8	-1%

The top three most shorted stocks in APAC ahead of earnings are all technology based, and led by Casio Computers with 14% of shares outstanding on loan. Casio has attracted short sellers since the middle of June 2014 as its share price continued to rise; gaining 59% in just one year.

Wacom Co Ltd



The most notable other mention in the top twenty is Samsung Engineering, as shares outstanding on loan have increased by 39% to hit 4.9% in the last month alone.

Casio Computer Co Ltd



Wacom is the second most shorted and is the only other company with short interest in double digits, with 10.7% of shares outstanding on loan. The specialist hardware supplier of predominantly pen tablet based interface systems is facing increased competition as new players and new technologies enter the market.

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