



Most shorted ahead of earnings

Friday, January 20th 2017

We reveal how short sellers are positioning themselves in companies announcing earnings in the coming week

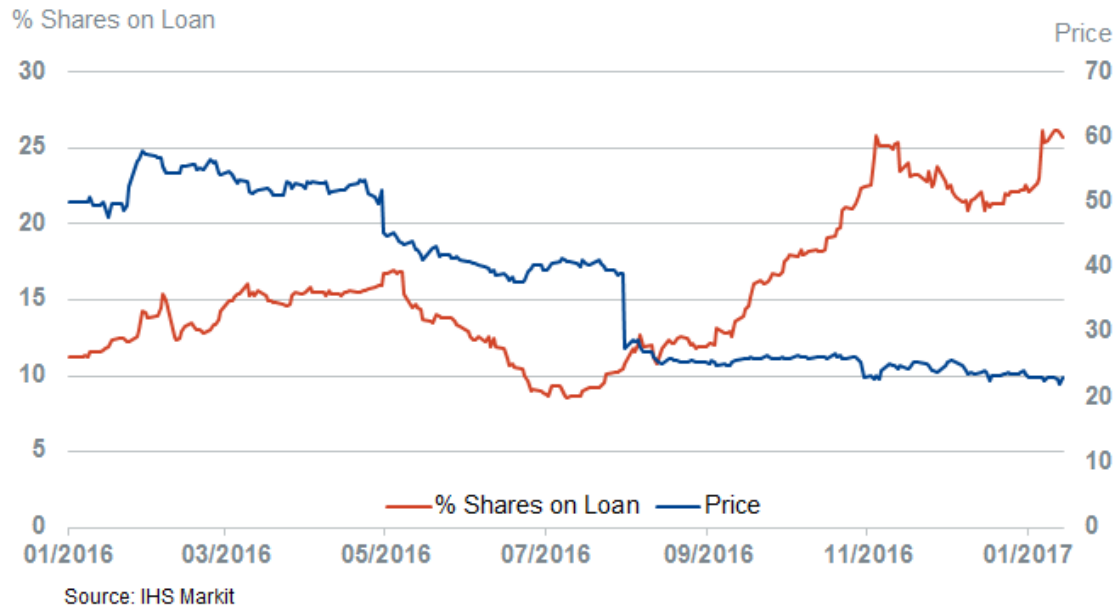
- Computer Programs and Systems is most shorted worldwide with 26% of its shares lent ahead of earnings
- Kone sees short sellers cover as earnings expectations brighten
- Japan Aviation Electronics Industry is most shorted Asian firm announcing earnings

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Computer Programs And Systems	Health Care Technology	CPSI	1/26/2017	25.7	20%
Allegheny Technologies Inc	Metals & Mining	ATI	1/23/2017	25.7	5%
Flotek Industries Inc	Chemicals	FTK	1/25/2017	22.0	11%
Polaris Industries Inc	Leisure Products	PII	1/24/2017	21.9	1%
Brinker International Inc	Hotels, Restaurants & Leisure	EAT	1/25/2017	20.0	0%
Banc Of California Inc	Banks	BANC	1/26/2017	18.0	-5%
Unisys Corp	IT Services	UIS	1/26/2017	16.1	-18%
Helmerich And Payne Inc	Energy Equipment & Services	HP	1/26/2017	15.6	-6%
Swift Transportation Co	Road & Rail	SWFT	1/26/2017	15.5	0%
Core Laboratories Nv	Energy Equipment & Services	CLB	1/25/2017	15.0	11%
Murphy Oil Corp	Oil, Gas & Consumable Fuels	MUR	1/25/2017	14.9	1%
Immunogen Inc	Biotechnology	IMGN	1/27/2017	14.0	14%
Carbo Ceramics Inc	Energy Equipment & Services	CRR	1/26/2017	13.6	11%
Proofpoint Inc	Software	PFPT	1/26/2017	13.2	6%
Rpc Inc	Energy Equipment & Services	RES	1/25/2017	12.7	-4%
World Acceptance Corp	Consumer Finance	WRLD	1/26/2017	12.7	-4%
W W Grainger Inc	Trading Companies & Distributors	GWW	1/25/2017	11.8	-5%
Team Inc	Commercial Services & Supplies	TISI	1/23/2017	11.6	-5%
Abaxis Inc	Health Care Equipment & Supplies	ABAX	1/26/2017	11.5	-2%

Computer Programs and Systems (CPSI), which offers IT solutions to rural hospitals and healthcare providers, is the most shorted company announcing earnings this week. Short sellers have a good track record in CPSI as over 15% of its shares were out on loan in March of last year, just before the company announced disappointing earnings which started a sustained price decline. While short sellers did close out their positions before CPSI's disastrous Q2 earnings which set off a 30% slide in its shares price, they are as committed to profit from any disappointment at present.

Computer Programs And Systems Inc



The current 25.5% of CPSI shares outstanding on loan which have been borrowed by short sellers represents an all-time high for the firm.

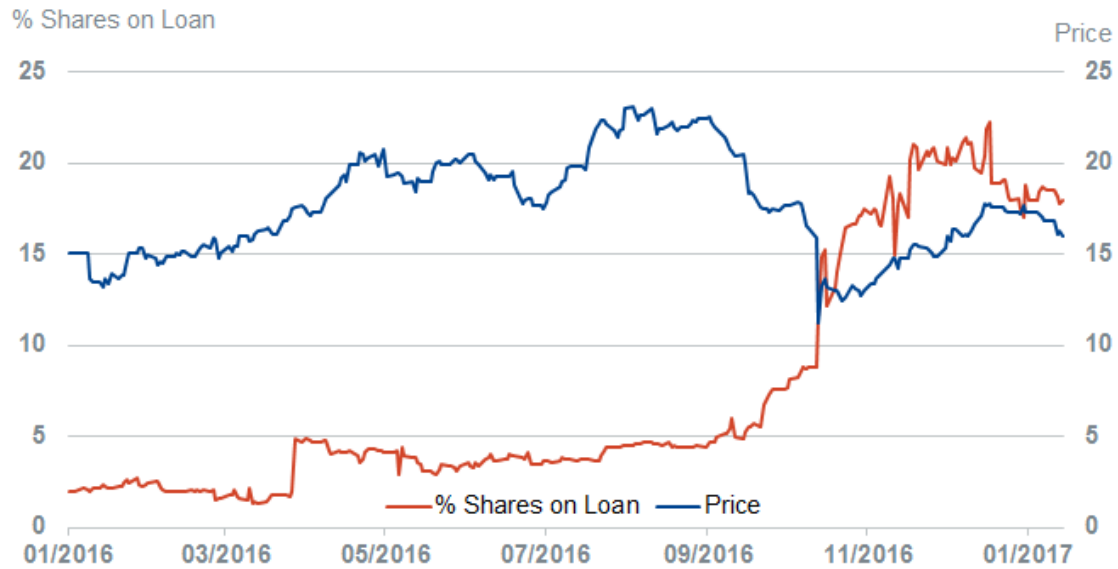
Energy continues to play a key role in many short portfolios despite the recent stability in energy prices and this week sees five energy firms feature among the 20 most shorted firms announcing earnings this week.

The five are led by contract driller Helmerich and Payne (HP) which has over 15% of its shares out on loan to short sellers. HP shares have more than doubled from the lows set in the opening weeks of last year, but the firm is still set to post losses for each of this year's four quarters. Short sellers were initially willing to ride HP's rebound however the post-Trump rally, which has accelerated this rebound, has prompted some large scale covering as the current portion of HP shares out on loan has fallen by over a third from the recent highs last October.

Energy short sellers are also still active in the sector's service providers as Core Laboratories and Carbo Ceramics both make the list of heavily shorted companies ahead of earnings.

Another name popping up among the heavily shorted stocks is Banc of California. The firm was the target of an activist short report in October of last year which [alleged](#) the firm had ties to a convicted fraudster. The bank's shares have recovered most of the ground lost in the wake of this announcement but short sellers are showing no sign of easing as demand to borrow its shares has more than doubled since the allegations first came to light.

Banc Of California Inc

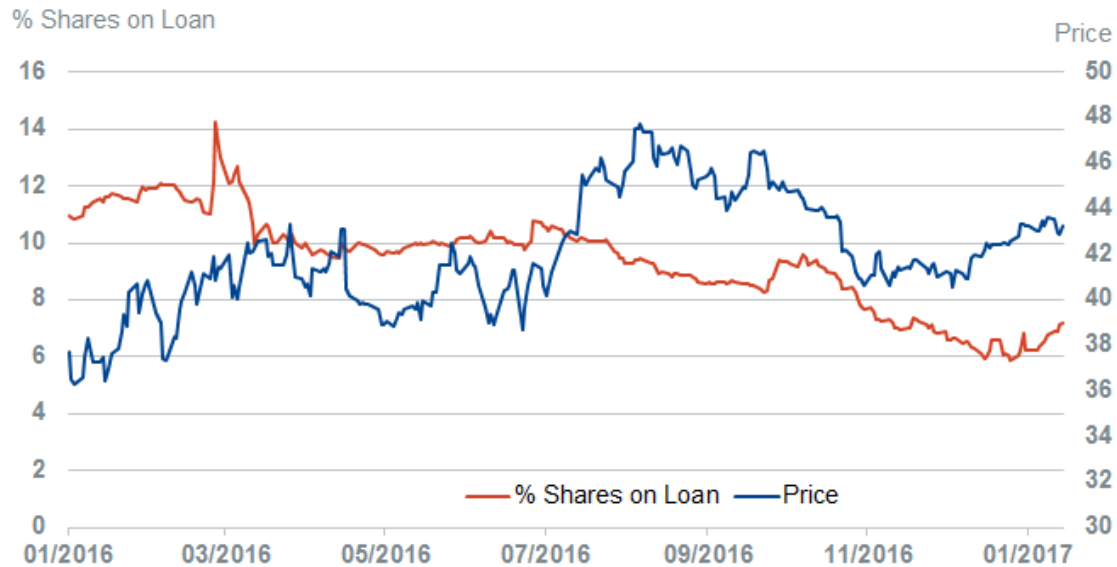


Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Intrum Justitia Ab	Commercial Services & Supplies	IJ	1/26/2017	12.8	-2%
Getinge Ab	Health Care Equipment & Supplies	GETI B	1/26/2017	8.1	8%
Kone Oyj	Machinery	KNEBV	1/26/2017	7.2	9%
Tele2 Ab	Wireless Telecommunication Services	TEL2 B	1/26/2017	6.0	-7%
Philips Lighting Nv	Electrical Equipment	LIGHT	1/23/2017	4.8	2%
Wartsila Oyj Abp	Machinery	WRT1V	1/27/2017	4.8	-16%
Bygghmax Group Ab	Specialty Retail	BMAX	1/24/2017	4.6	-14%
Scatec Solar Asa	Independent Power and Renewable Ele	SSO	1/27/2017	4.3	-9%
Telefonaktiebolaget Lm Ericsson	Communications Equipment	ERIC B	1/26/2017	4.1	-18%
Logitech International Sa	Technology Hardware, Storage & Perip	LOGN	1/25/2017	4.0	11%
Sgs Sa	Professional Services	SGSN	1/23/2017	3.8	-11%
Nnit A/S	Health Care Technology	NNIT	1/25/2017	3.1	3%

Elevator firm Kone, the largest short target announcing earnings this week, has 7.2% of its shares on loan to short sellers. The firm found itself a short target last year from investors looking to play a slowing Asia where Kone generated over 40% of its revenue. Recent rebounding growth has taken the urge to short Kone right down as demand to borrow its shares has fallen by 40% in from the highs in February last year.

Kone Oyj



Source: IHS Markit

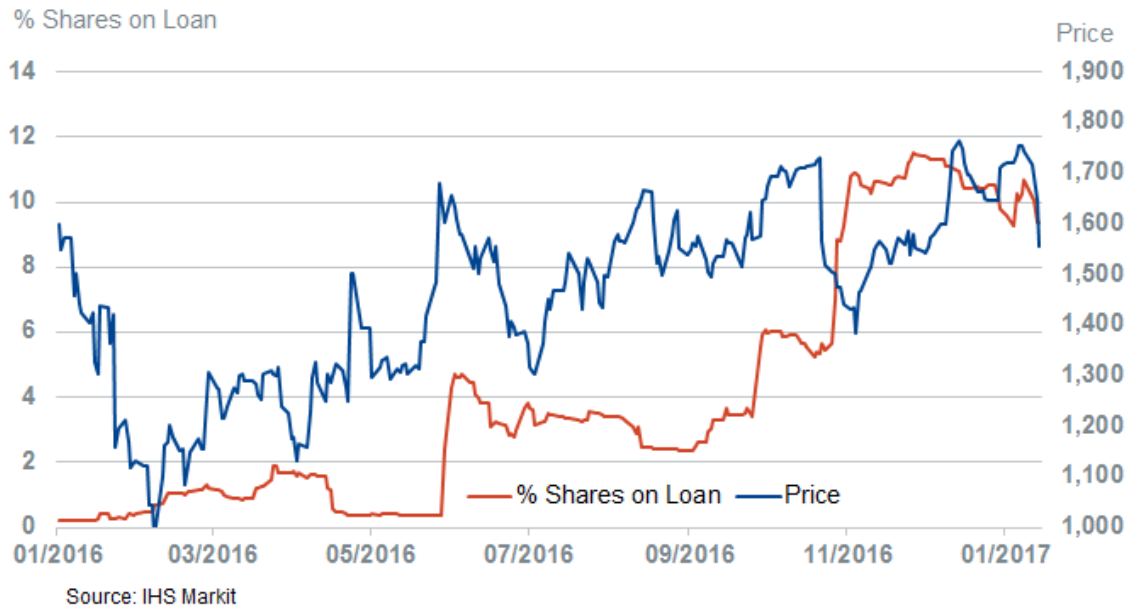
Recent IPO Philips Lighting also makes the list of heavily shorted stocks as it has under 5% of its shares on loan. Short sellers largely steered clear of the firm in months immediately following its spinoff from Philips last year, but its disappointing Q3 earnings, which saw the firm miss its revenue target by 4%, has spurred on sceptics as bearish positions in the lighting firm have nearly doubled in the subsequent three months.

Asia

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Japan Aviation Electronics Industry	Electronic Equipment, Instruments & C	6807	1/25/2017	9.4	-10%
Monotaro Co Ltd	Trading Companies & Distributors	3064	1/27/2017	8.6	-3%
Broadmedia Corp	Diversified Telecommunication Services	4347	1/27/2017	8.2	3%
Advantest Corp	Semiconductors & Semiconductor Equ	6857	1/26/2017	7.8	13%
Osaka Titanium Technologies Co L	Metals & Mining	5726	1/27/2017	7.7	4%
Softfront Holdings	Software	2321	1/27/2017	7.7	-2%
Michinoku Bank Ltd	Banks	8350	1/27/2017	7.4	55%
Gs Engineering & Construction Co	Construction & Engineering	006360	1/26/2017	7.3	-9%
Lg Electronics Inc	Household Durables	066570	1/25/2017	7.0	102%
Alps Electric Co Ltd	Electronic Equipment, Instruments & C	6770	1/27/2017	5.8	-9%
Shiga Bank Ltd	Banks	8366	1/27/2017	5.4	13%
Yaskawa Electric Corp	Electronic Equipment, Instruments & C	6506	1/23/2017	5.2	4%
Takara Leben Co Ltd	Real Estate Management & Developm	8897	1/23/2017	4.7	-11%
Sabana Shari'Ah Compliant Reit U Equity	Real Estate Investment Trusts (M1GU		1/25/2017	4.7	146%
Voyage Group Inc	Internet Software & Services	3688	1/25/2017	4.4	-24%
Samsung Electro-Mechanics Co L	Electronic Equipment, Instruments & C	009150	1/24/2017	4.1	-5%
Samsung Sdi Co Ltd	Electronic Equipment, Instruments & C	006400	1/24/2017	4.1	67%

Japanese electronics manufacturer Japan Aviation Electronics Industry is the top short target in Asia as it has just under 10% of its shares outstanding on loan. Short sellers have nearly doubled their borrow in the firm's shares since it last posted results in November.

Japan Aviation Electronics Industry Ltd



The largest non-Japanese short target is Gs Engineering which has 7.3% of its shares out on loan although this borrow is not likely to be driven by negative sentiment in the firm's share price as GS Engineering has a large convertible bond outstanding.

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