

## Most shorted ahead of earnings

Monday, October 24<sup>th</sup> 2016

### A look at how short sellers are positioning themselves in companies announcing earnings in the coming week

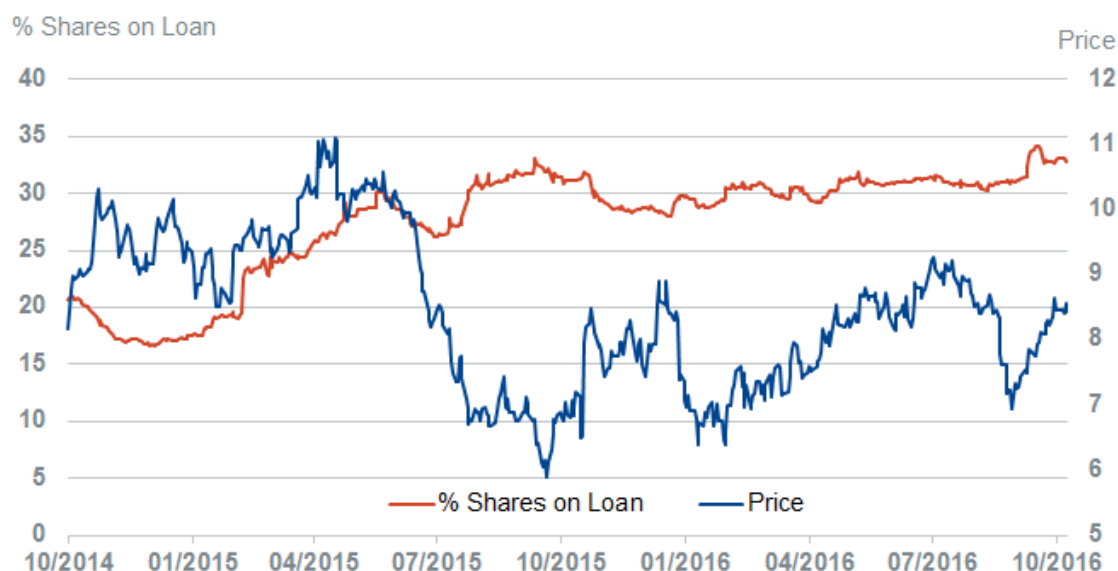
- Iridium is most shorted firm announcing earnings with 33% of shares on loan
- Fingerprint Cards Ab sees 59% jump in demand to borrow ahead of earnings
- Anhui Conch Cement short interest hits 18 month high

#### North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Iridium Communications Inc	Diversified Telecommunication Service	IRDM	10/27/2016	32.9	-2%
Bofi Holding Inc	Thriffs & Mortgage Finance	BOFI	10/27/2016	29.1	-2%
Under Armour Inc	Textiles, Apparel & Luxury Goods	UA	10/25/2016	27.4	7%
Lendingtree Inc	Thriffs & Mortgage Finance	TREE	10/27/2016	26.6	14%
Polaris Industries Inc	Leisure Products	PII	10/25/2016	26.6	-1%
Proto Labs Inc	Machinery	PRLB	10/27/2016	26.4	11%
Wisdomtree Investments Inc	Capital Markets	WETF	10/28/2016	23.4	0%
Brinker International Inc	Hotels, Restaurants & Leisure	EAT	10/25/2016	22.9	104%
Allegheny Technologies Inc	Metals & Mining	ATI	10/25/2016	22.9	0%
Ak Steel Holding Corp	Metals & Mining	AKS	10/25/2016	22.6	2%
Knowles Corp	Electronic Equipment, Instruments & Components	KKN	10/24/2016	22.2	3%
Endologix Inc	Health Care Equipment & Supplies	ELGX	10/27/2016	22.2	-2%
Dynavax Technologies Corp	Biotechnology	DVAX	10/27/2016	21.7	24%
Wabash National Corp	Machinery	WNC	10/24/2016	21.6	2%
Compass Minerals International Inc	Metals & Mining	CMP	10/24/2016	20.2	5%
Chipotle Mexican Grill Inc	Hotels, Restaurants & Leisure	CMG	10/25/2016	20.1	6%
Harmonic Inc	Communications Equipment	HLIT	10/24/2016	20.1	-4%
Medicines Co	Pharmaceuticals	MDCO	10/26/2016	20.0	0%

The most shorted company reporting earnings this week is satellite telephone provider Iridium Communication which sees just under a third of its shares out on loan. Iridium has been a key focus of short sellers for some time but short interest has surged to new highs since launch partner Space X saw one of its rockets explode on the launch pad. This has caused some to ponder the impact of the latest setback on the firm's goals to introduce its second generation satellite constellation.

## Iridium Communications Inc



Source: Markit

Metals and miners continue to feature high on short sellers' minds this earnings season as speciality metal firm Allegheny Technologies, steelmaker AK Steel and mineral producer Compass Minerals are all seeing more than 20% of shares out on loan. Short interest activity in the sector shows no signs of slowing down despite the fact that the recent stability in the commodities space has seen shares rebound across the board.

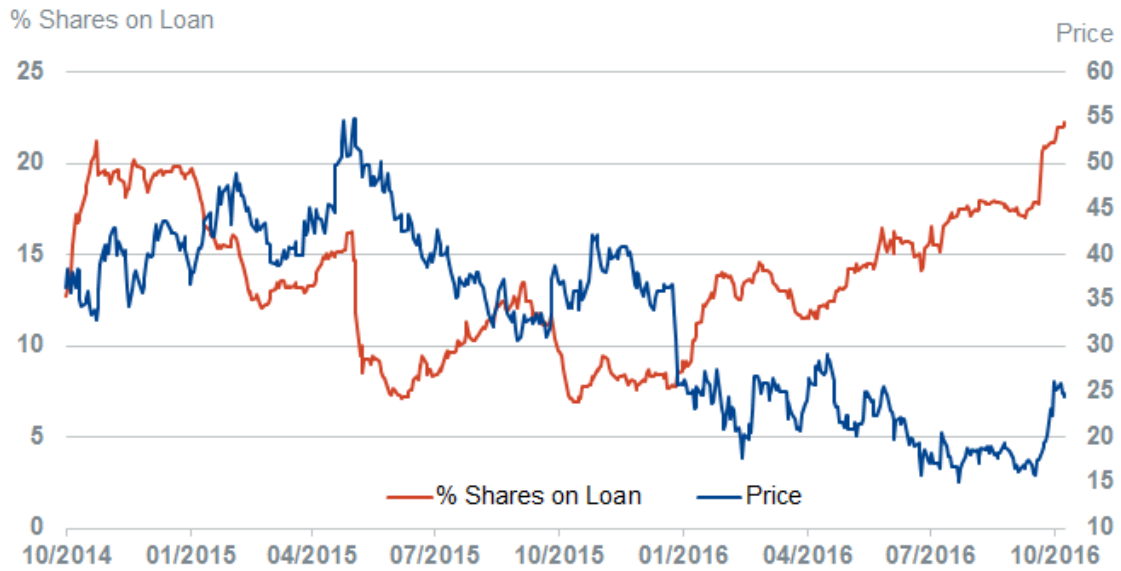
Casual dining chain Chipotle is another major short play heading into this week as short sellers have borrowed more than 20% of its shares prior to its Tuesday earnings announcement. Current Chipotle short interest is over ten times higher than on the eve of the company's recent food poisoning controversy which has taken 40% off its share price.

## Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Petroleum Geo Services Asa	Energy Equipment & Services	PGS	10/27/2016	22.2	27%
Fingerprint Cards Ab	Electronic Equipment, Instruments & CFING B		10/27/2016	17.1	59%
Asm International Nv	Semiconductors & Semiconductor Equ	ASM	10/26/2016	14.6	1%
Ams Ag	Semiconductors & Semiconductor Equ	AMS	10/24/2016	12.7	28%
Technip Sa	Energy Equipment & Services	TEC	10/27/2016	11.4	17%
Ssab Ab	Metals & Mining	SSAB A	10/28/2016	10.4	29%
Distribuidora Internacional De Alim	Food & Staples Retailing	DIA	10/25/2016	10.3	22%
Outotec Oyj	Construction & Engineering	OTE1V	10/28/2016	10.3	5%
Bolsas Y Mercados Espanoles So	Capital Markets	BME	10/28/2016	9.7	8%
Ingenico Group Sa	Electronic Equipment, Instruments & CING		10/26/2016	9.2	-16%
Kone Oyj	Machinery	KNEBV	10/26/2016	9.1	7%
Gemalto Nv	Software	GTO	10/28/2016	9.1	-1%
Alfa Laval Ab	Machinery	ALFA	10/25/2016	9.0	15%
Television Francaise 1 Sa	Media	TFI	10/27/2016	8.7	55%
Fred Olsen Energy Asa	Energy Equipment & Services	FOE	10/26/2016	7.7	26%
Tgs Nopec Geophysical Company	Energy Equipment & Services	TGS	10/28/2016	7.3	20%
Konecranes Abp	Machinery	KCR1V	10/26/2016	7.0	-14%

Offshore oil service providers are the main European focus for short sellers this week with geophysical firms Petroleum Geo Services and TGS Nopec both making the most shorted ahead of earnings screen as 22% and 8% of their shares are currently out on loan. This high conviction among short sellers looks to have been somewhat misled however as PGS's preliminary earnings sent its share price up by over a quarter. The bullish mood was reflected in PGS whose shares are now trading at new 52 weeks highs.

### Petroleum Geo Services Asa



Source: IHS Markit

Drilling operator Fred Olsen Energy is another heavily shorted name announcing earnings this week with 7.7% of its shares out on loan, the highest in over 18 months.

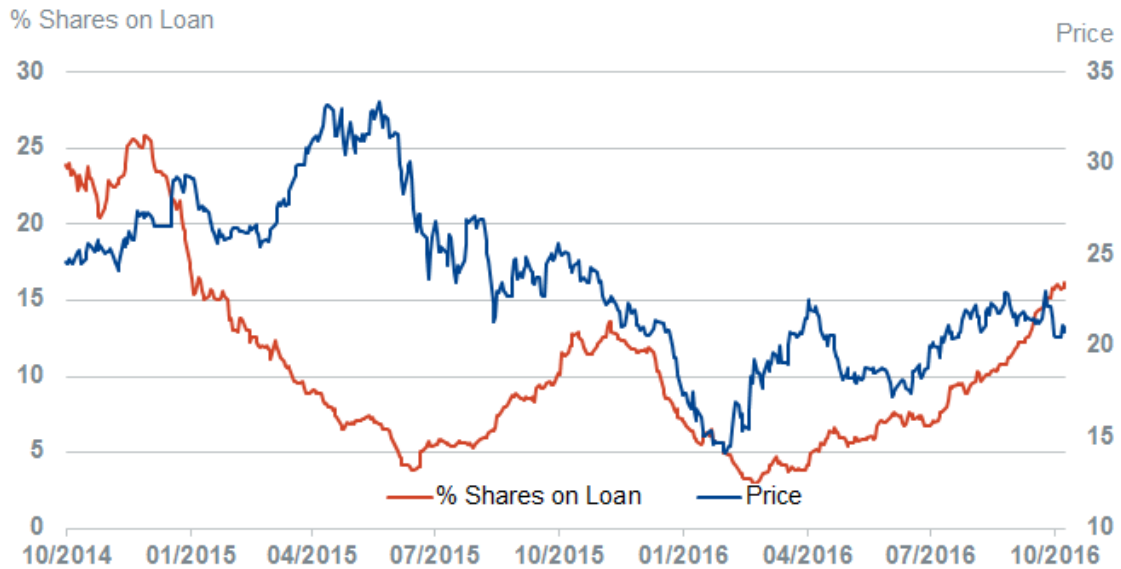
The largest pre earnings jump in shorting activity is in Fingerprint Cards which has seen a 59% jump in demand to borrow its shares over the last month.

### Asia

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Anhui Conch Cement Co Ltd	Construction Materials	914	10/27/2016	16.1	28%
Gunggho Online Entertainment Inc	Software	3765	10/28/2016	15.9	-1%
Oci Co Ltd	Chemicals	010060	10/26/2016	14.6	-1%
China Cosco Holdings Co Ltd	Marine	1919	10/28/2016	11.4	25%
Hotel Shilla Co Ltd	Specialty Retail	008770	10/28/2016	10.9	-8%
Gokurakuyu Co Ltd	Hotels, Restaurants & Leisure	2340	10/28/2016	9.3	17%
China Shipping Container Lines Cc	Marine	2866	10/28/2016	9.1	48%
Nippon Carbon Co Ltd	Electrical Equipment	5302	10/28/2016	8.8	15%
Gs Engineering & Construction Co	Construction & Engineering	006360	10/26/2016	8.8	-9%
Sanyo Shokai Ltd	Textiles, Apparel & Luxury Goods	8011	10/28/2016	8.7	-7%
Byd Co Ltd	Automobiles	1211	10/28/2016	7.9	-1%
Pacific Industrial Co Ltd	Auto Components	7250	10/27/2016	7.9	1%
Capcom Co Ltd	Software	9697	10/27/2016	7.7	4%
Shikoku Electric Power Co Inc	Electric Utilities	9507	10/27/2016	7.7	36%
Samsung Heavy Industries Co Ltd	Machinery	010140	10/26/2016	7.5	-41%
Anges Mg Inc	Biotechnology	4563	10/24/2016	7.4	3%

Hong Kong traded Anhui Conch Cement, the largest mainland China cement producer, sees the largest demand to borrow out of any Asian company announcing earnings this week with 16.1% of its shares out on loan. The 28% jump in demand to borrow Anhui Conch shares takes its short interest to a new 18 month high for the firm.

### Anhui Conch Cement Co Ltd



Source: IHS Markit

Shipping firms continue to make popular short positions with China Costco and China Shipping Container Lines both seeing more than 9% of their shares out on loan.

Duty free operator Hotel Shilla, which as seen its shares struggle as South Korean regulators allowed more participants to enter the market for duty free shops, is another popular short with 11% of its shares out on loan. This loosening of regulation has seen [margins shrink](#) across the sector as operators battle for footfall.

**Contacts:****Simon Colvin**

Analyst

+44 20 7260 7614

Simon.colvin@ihsmarkit.com

For further information, please visit [www.ihsmarkit.com](http://www.ihsmarkit.com)

**Disclaimer**

The intellectual property rights to this report provided herein is owned by Markit Group limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omission or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, consequential damages, arising out of the use of the data. Markit is a trademark owned by the Markit group.

This report does not constitute nor shall it be construed as an offer by Markit to buy or sell any particular security, financial instrument or financial service. The analysis provided in this report is of a general and impersonal nature. This report shall not be construed as providing investment advice that is adapted to or appropriate for any particular investment strategy or portfolio. This report does not and shall not be construed as providing any recommendations as to whether it is appropriate for any person or entity to "buy", "sell" or "hold" a particular investment.