

Most shorted ahead of earnings

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

- Changing tastes sees Zumiez join other clothing retailers targeted by short sellers
- Short sellers cover in GoPro supplier Ambarella as stock price decline loses momentum
- Japanese childcare products manufacturer Pigeon most shorted ahead of earnings in Apac

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Zoe's Kitchen Inc	Restaurants	ZOES	05/31/2016	28.3	0%
Canadian Western Bank	Regional Banks	CWB	06/02/2016	27.2	-14%
Zumiez Inc	Apparel Retail	ZUMZ	06/02/2016	20.3	4%
Ambarella Inc	Semiconductors	AMBA	06/02/2016	19.9	5%
Cracker Barrel Old Country Store Inc	Restaurants	CBRL	06/01/2016	19.5	1%
Conn'S Inc	Computer & Electronics Retail	CONN	06/02/2016	18.8	-1%
Five Below Inc	Specialty Stores	FIVE	06/02/2016	18.4	-4%
Rex American Resources Corp	Oil & Gas Refining & Marketing	REX	06/02/2016	15.3	-9%
Lands End Inc	Internet Retail	LE	06/01/2016	14.3	9%
Ascena Retail Group Inc	Apparel Retail	ASNA	05/31/2016	12.8	28%
National Bank Of Canada	Diversified Banks	NA	06/01/2016	11.1	-1%
Joy Global Inc	Construction Machinery & Heavy Trucks	JOY	06/02/2016	10.8	8%
Fuelcell Energy Inc	Electrical Components & Equipment	FCEL	05/31/2016	10.5	24%
Ship Finance International Ltd	Oil & Gas Storage & Transportation	SFL	05/31/2016	10.4	9%
Navistar International Corp	Construction Machinery & Heavy Trucks	NAV	06/01/2016	9.3	11%
Michael Kors Holdings Ltd	Apparel, Accessories & Luxury Goods	KORS	06/01/2016	8.3	72%
Donaldson Company Inc	Industrial Machinery	DCI	06/02/2016	8.2	-2%
Workday Inc	Application Software	WDAY	05/31/2016	7.6	0%
Ciena Corp	Communications Equipment	CEN	06/02/2016	7.6	-12%
Olle'S Bargain Outlet Holdings Inc	General Merchandise Stores	OLLI	06/01/2016	7.1	11%

Most shorted ahead of earnings this week in North America **yet again**, is recently listed Zoe's Kitchen with 28.3% of its shares outstanding on loan (short interest).

Zoe's Kitchen Inc



Shares in Zoe's have risen by 10% as short sellers continue to cover in 2016 in the past six months, while over a third of short positions in the Mediterranean casual dining chain have been closed. Consensus forecasts currently point to Zoe's posting a loss for the fourth quarter.

Second most shorted in North America is Canadian Western Bank with short interest of

27.2% currently. Seeing some covering in the past three months, short sellers have shed a quarter of positions. Exposed to the rising Canadian property market the firm has been **targeted** by short sellers for some time.

Canadian Western Bank



Youth apparel and accessories retailer Zumiez is the latest clothing retailer to fall foul of changing **consumer tastes**. Short interest has increased almost five fold in the past 12 months rising to 20.3%. The company's stock has sold off by a third during the same time, with consensus earnings indicating the company will post a first quarter loss.

Zumiez Inc



Zumiez joins retailers Conn's, Five Below, Lands End and Ascena Retail in the top ten most shorted stocks in North America ahead of earnings.

With 19.9% of shares outstanding on loan currently and **previous target** of activist short campaign, Ambarella has seen its shares dive by 54% in the past 12 months with shorts covering a fifth of positions as the shares look to have bottomed.

Ambarella Inc



Ambarella supplies imaging chips to GoPro who itself has seen a surge in short interest in the past few weeks, rising to 13.9%.

GoPro Inc



Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Elekta Publ Ab	Health Care Equipment	EKTA B	06/01/2016	16.5	-4%
Koninklijke Ahold Nv	Food Retail	AH	06/01/2016	5.8	-5%
Halfords Group Plc	Automotive Retail	HFD	06/01/2016	3.5	-23%
Conwert Immobilien Invest Se	Real Estate Development	CWI	05/30/2016	2.1	-4%
Voestalpine Ag	Steel	VOE	06/03/2016	1.9	4%

Most shorted ahead of earnings in Europe for a **second year running** is Elekta Pub who has seen short interest decline. Currently the stock stands at 16.5%, having climbed 16% since lows in early May 2016.

Elekta Publ Ab



Second most shorted ahead of earnings in Europe is Dutch based retailer Koninklijke Ahold who operates a number of **retail brands** throughout Europe and the US. Short interest has surged in the past six months to reach 5.8% currently.

Koninklijke Ahold Nv



Halfords Group Plc



Source: Markit

Shares in British leisure and cycling products retailer Halfords have rallied 33% since the start of the year with short sellers covering 35% of positions since mid-April.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding	1 Month % Change
Pigeon Corp	Household Products	7956	06/01/2016	10.2	26%
Als Ltd	Research & Consulting Services	ALQ	05/30/2016	4.5	-9%
Vivromed Co Ltd	Biotechnology	084990	05/30/2016	4.3	5%
Kumiai Chemical Industry Co Ltd	Fertilizers & Agricultural Chemicals	4996	06/03/2016	3.9	-6%
Kolao Holdings	Automotive Retail	900140	05/30/2016	3.7	-3%
China Ocean Resources Co Ltd	Packaged Foods & Meats	900050	05/30/2016	3.3	-36%
Yuanta Securities Korea Co., Ltd	Investment Banking & Brokerage	003470	06/01/2016	3.0	3%
Ito En Ltd	Soft Drinks	2593	06/01/2016	3.0	-13%
Aerospace Technology Of Korea Inc	Aerospace & Defense	067390	06/01/2016	2.8	16%
Naturalendo Tech Co Ltd	Biotechnology	168330	05/30/2016	2.7	1%

Making **another** appearance in the most shorted ahead of earnings for a consecutive quarter is Pigeon, a manufacturer of child care products in Japan. Japanese manufacturers have been under **pressure** as of late a stronger yen continues to impact the relative costs of the country's exports.

Pigeon Corp



Source: Markit

Second most shorted in Apac is Australian based research, testing and analytical services provider Als who serves the shale and mineral exploration industries. Short sellers have covered by a third from the highs of February where 6.5% were sold short. However, there has been a recent 30% surge in short interest rising to 4.5%.

Als Ltd



Source: Markit

Markit **Dividend Forecasting**, expects a 48% cut to the company's dividend amid the challenging operating environment being experienced in the commodities sector.

To receive more information on **Securities Finance, Research Signals, Exchange Traded Products, Dividend Forecasting** or our Short Squeeze model please **contact us**

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