

Most shorted ahead of earnings

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

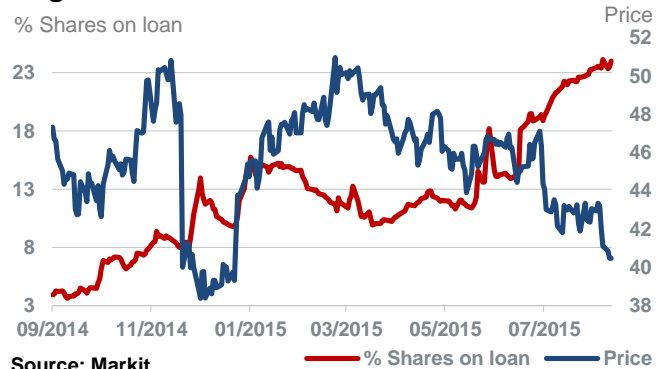
- Activist short sellers in Ambarella profit as stock falls 25% in the last month
- China's Evergrande sees short sellers return as stock slumps 42% from 52 week high
- **Markit Dividend Forecasting** expects a 56% cut to China's Rexlot's interim dividend

North America

Name	Industry	Ticker	Value on loan (\$m)	% Shares Outstanding On Loan	1 Month % Change
Big Lots Inc	General Merchandise Stores	BIG	507,887,648	24.0	11%
Canadian Western Bank	Regional Banks	CWB	310,295,008	21.4	-1%
Five Below Inc	Specialty Stores	FIVE	348,446,272	18.0	19%
Navistar International Corp	Construction Machinery & Heavy Trucks	NAV	240,810,704	17.9	9%
Ambarella Inc	Semiconductors	AMBA	494,890,112	17.8	31%
Lands End Inc	Internet Retail	LE	99,623,152	14.4	7%
Vera Bradley Inc	Apparel, Accessories & Luxury Goods	VRA	55,382,728	14.2	5%
Mattress Firm Holding Corp	Homefurnishing Retail	MFRM	238,582,128	11.6	7%
Joy Global Inc	Construction Machinery & Heavy Trucks	JOY	263,576,976	11.5	2%
Greif Inc	Metal & Glass Containers	GEF	82,985,928	11.5	-3%
Ciena Corp	Communications Equipment	CIEN	306,599,008	11.5	-32%
Campus Crest Communities Inc	Residential REITs	CCG	31,176,764	9.2	11%
Laurentian Bank Of Canada	Regional Banks	LB	89,077,344	8.7	4%
Uti Worldwide Inc	Air Freight & Logistics	UTIW	49,270,876	6.9	-7%
Donaldson Company Inc	Industrial Machinery	DCI	228,454,944	5.4	22%
Bank Of Nova Scotia	Diversified Banks	BNS	2,818,079,232	5.3	-16%
Piedmont Natural Gas Company Inc	Gas Utilities	PNY	158,055,760	5.2	-6%
Campbell Soup Co	Packaged Foods & Meats	CPB	722,911,488	5.0	1%
Seachange International Inc	Application Software	SEAC	9,521,357	4.8	-4%
Advanced Drainage Systems Inc	Building Products	WMS	66,683,620	4.5	22%

General merchandise retailer **Big Lots** is the most shorted company in North America ahead of earnings this week with 23.9% of shares outstanding on loan. Short sellers have increased positions fourfold over 12 months while the shares are trading 10% down.

Big Lots Inc



Short sellers have **returned** to speciality discount retailer **Five Below**, which has seen short interest surge 25% in the last three months reaching 17.6%.

Five Below Inc



Returning for a **second** consecutive quarter, with its share price falling 10% is Canadian Western Bank with 21.4% of shares outstanding on loan. The bank's stock has fallen 37% in the last 12 months with short sellers increasing positions by 200%.

Canadian Western Bank



Over the last three months short interest has surged 155% to 18% of shares outstanding on loan in **Navistar** International. The stock has continued its slide over the last 12 months, falling by 55% in total. The truck

maker has struggled to regain market share and grow revenues as continued losses hit the company despite the industry seeing orders for heavy-duty trucks at their highest levels in a **decade**.

Navistar International Corp



A public target of activist short seller **Citron Research**, shares in Ambarella have fallen by 25% in the last month. Prior to the fall, shares had risen 145% year to date.

Ambarella Inc

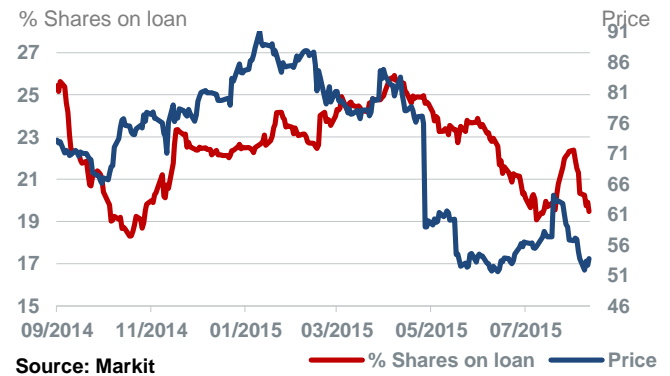


Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Elekta Publ Ab	Health Care Equipment	EKTA B	02/09/2015	19.5	-1%
Trevi Finanziaria Industriale Spa	Construction & Engineering	TFI	29/08/2015	10.2	48%
Buwog Ag	Real Estate Operating Companies	BWO	01/09/2015	5.5	2%
888 Holdings Plc	Casinos & Gaming	888	29/08/2015	3.8	13%
Myriad Group Ag	Application Software	MYRN	03/09/2015	4.2	-7%
Gategroup Holding Ag	Diversified Support Services	GATE	04/09/2015	3.9	-18%
Viel Et Cie Sa	Investment Banking & Brokerage	VIL	05/09/2015	3.9	0%
Sacyr Sa	Construction & Engineering	SCYR	01/09/2015	3.6	14%
Ashtead Group Plc	Trading Companies & Distributors	AHT	03/09/2015	3.8	24%
Mofa Engil Sgpps Sa	Construction & Engineering	EGL	01/09/2015	3.3	2%
U Blox Holding Ag	Semiconductors	UBXN	05/09/2015	2.9	-28%
Etablissements Maurel Et Prom Sa	Oil & Gas Exploration & Production	MAU	29/08/2015	3.5	61%
Duro Felguera Sa	Industrial Machinery	MDF	01/09/2015	2.5	12%
Santhera Pharmaceuticals Holding Ag	Biotechnology	SANN	04/09/2015	2.2	37%
Reti Telematiche Italiane Spa	Alternative Carriers	LIT	29/08/2015	1.8	-17%
Zealand Pharma A/S	Biotechnology	ZEAL	29/08/2015	1.8	28%
Pharol Sgpps Sa	Integrated Telecommunication Services	PHR	01/09/2015	2.2	-8%
Bw Lpg Ltd	Oil & Gas Storage & Transportation	BWLPG	29/08/2015	1.6	5%
Juventus Fc Spa	Movies & Entertainment	JUVE	01/09/2015	1.6	4%
Rockhopper Exploration Plc	Oil & Gas Exploration & Production	RKH	02/09/2015	1.5	16%

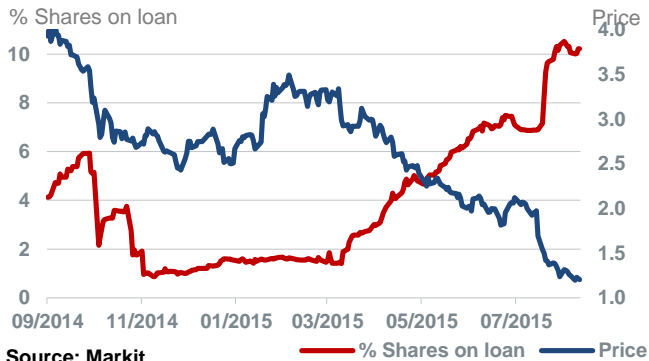
Most shorted ahead of earnings in Europe is cancer care firm **Elekta**, a perennial favourite among short sellers in recent years. The stock has fallen by 36% in the last half year with short sellers covering positions by 17%. 19.5% of shares outstanding are currently on loan.

Elekta Publ Ab



Second most shorted is Trevi Group with 10.2% of shares outstanding on loan. The global civil and engineering firm is heavily exposed to energy intensive infrastructure projects. The stock is down 70% over the last 12 months.

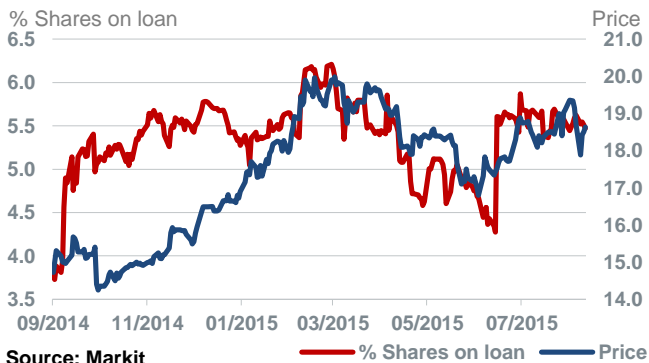
Trevi Finanziaria Industriale Spa



Source: Markit

German and Austrian focused residential property developer and manager Buwog is the third most shorted in Europe with 5.5% of shares outstanding on loan. The stock has attracted 50% more interest from short sellers in the last year while the share price has increased by 24%.

Buwog Ag



Source: Markit

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Yanzhou Coal Mining Co Ltd	Coal & Consumable Fuels	1171	29/08/2015	12.0	15%
Slater & Gordon Ltd	Specialized Consumer Services	SGH	29/08/2015	15.6	26%
Evergrande Real Estate Group Ltd	Real Estate Development	3333	01/09/2015	8.6	3%
Gcl-Poly Energy Holdings Ltd	Semiconductor Equipment	3800	29/08/2015	9.0	14%
Fufeng Group Ltd	Diversified Chemicals	546	01/09/2015	7.6	13%
Kingsgate Consolidated Ltd	Gold	KCN	01/09/2015	7.2	4%
Universal Health International Group Hk Health Care Distributors		2211	29/08/2015	7.4	14%
Woolworths Ltd	Food Retail	WOW	29/08/2015	7.3	0%
Rexlot Holdings Ltd	Casinos & Gaming	555	01/09/2015	6.9	-2%
Harbin Electric Co Ltd	Heavy Electrical Equipment	1133	29/08/2015	3.2	-1%
Tfs Corporation Ltd	Forest Products	TFC	01/09/2015	6.6	10%
Zijin Mining Group Co Ltd	Gold	2899	29/08/2015	5.8	7%
China Shipping Development Co Ltd	Marine	1138	29/08/2015	5.7	15%
Alibaba Pictures Group Ltd	Movies & Entertainment	1060	29/08/2015	4.7	-2%
China Precious Metal Resources Holdi	Gold	1194	01/09/2015	4.8	0%
Access Co Ltd	Internet Software & Services	4813	01/09/2015	2.9	-43%
Melco International Development Ltd	Casinos & Gaming	200	01/09/2015	4.3	6%
Vocus Communications Ltd	Alternative Carriers	VOC	29/08/2015	9.4	20%
China Ocean Resources Co Ltd	Packaged Foods & Meats	900050	29/08/2015	3.8	1%
Koiaio Holdings	Automotive Retail	900140	29/08/2015	3.6	-19%

Most short sold in Apac ahead of earnings is Yanzhou Coal mining with 12% of shares

outstanding on loan. Short sellers have flocked to the stock in the last three months as energy and commodities slump and Chinese markets collapsed. Shares outstanding on loan have increased by a third in the last three months while the stock has fallen by 45%.

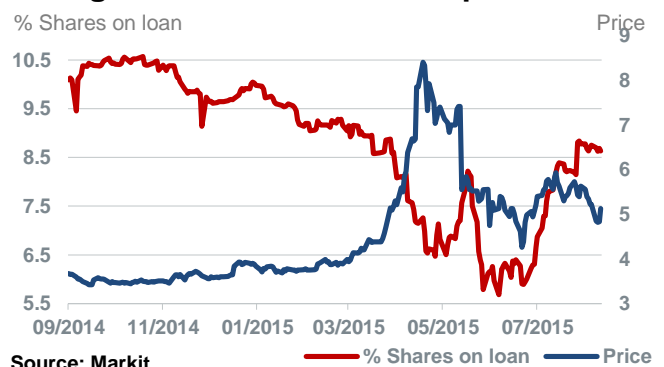
Yanzhou Coal Mining Co Ltd



Source: Markit

Since appearing in the most shorted ahead of earnings in **March 2015**, shares in the second largest property developer in China, Evergrande Real Estate, have increased by 25%. This increase masks the interim volatility seen in general over recent months in the region. The stock is actually off highs reached in early May 2015 by 42%.

Evergrande Real Estate Group Ltd

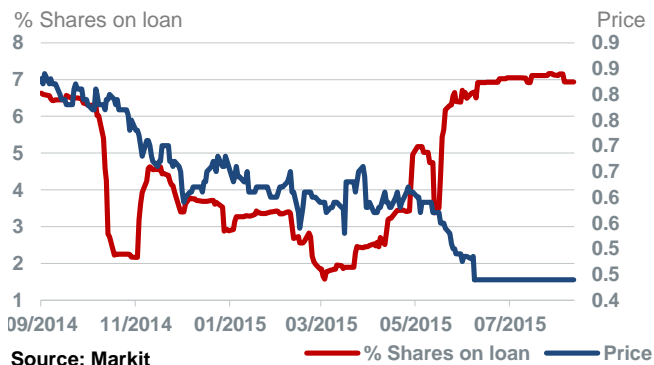


Source: Markit

Interim dividend cut expected at Rexlot
Markit Dividend Forecasting is forecasting a chunky 56% cut to the interim dividend from Rexlot with operating conditions for its lottery business in China expected to remain

challenging. The company's turnover has dipped 22% for the year.

Rexlot Holdings Ltd



The company's stock has been suspended since June after a report highlighted accounting irregularities at the firm. Short sellers have maintained their positions with 6.9% of shares currently outstanding on loan.

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