

Most shorted ahead of earnings

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

- Falling DVD rentals at Outerwall's Redbox sees short sellers continue to profit handsomely
- Outside the top 20, Fitbit and GoPro prove profitable shorts in 2016
- Short interest in Fingerprint sensors surge in Europe, while Japanese tech dominates Apac

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Outerwall Inc	Specialty Stores	OUTR	02/04/2016	39.5	10%
Tidewater Inc	Oil & Gas Equipment & Services	TDW	02/02/2016	35.4	3%
Atwood Oceanics Inc	Oil & Gas Drilling	ATW	02/02/2016	33.9	3%
Noble Corporation Plc	Oil & Gas Drilling	NE	02/03/2016	32.7	-9%
Neustar Inc	Data Processing & Outsourced Services	NSR	02/04/2016	32.7	0%
Lannett Company Inc	Pharmaceuticals	LCI	02/03/2016	28.8	4%
Geospace Technologies Corp	Oil & Gas Equipment & Services	GEOS	02/03/2016	26.9	22%
Adt Corp	Security & Alarm Services	ADT	02/02/2016	22.8	0%
Myriad Genetics Inc	Biotechnology	MYGN	02/02/2016	21.5	-7%
Athenahealth Inc	Health Care Technology	ATHN	02/04/2016	21.1	-3%
Devy Education Group Inc	Education Services	DV	02/04/2016	20.7	16%
Proto Labs Inc	Industrial Machinery	PRLB	02/04/2016	20.2	1%
Genworth Mi Canada Inc	Thriffs & Mortgage Finance	MIC	02/04/2016	20.2	6%
Dunkin' Brands Group Inc	Restaurants	DNKN	02/04/2016	20.0	27%
Charter Communications Inc	Cable & Satellite	CHTR	02/04/2016	19.6	5%
Wisdomtree Investments Inc	Asset Management & Custody Banks	WETF	02/05/2016	19.2	25%
Nu Skin Enterprises Inc	Personal Products	NUS	02/04/2016	19.1	-7%
Innova Inc	Pharmaceuticals	INVA	02/05/2016	18.8	8%
Foot Barn Holdings Inc	Apparel Retail	BOOT	02/02/2016	18.7	-1%
Albany Molecular Research Inc	Life Sciences Tools & Services	AMRI	02/02/2016	18.3	-8%

Most shorted ahead of earnings in North America this week is retail DVD-kiosk-rental operator, Outerwall. Targeted by short sellers for **some time**, the stock has been heavily sold off since the company released disappointing earnings guidance on December 7th 2015.

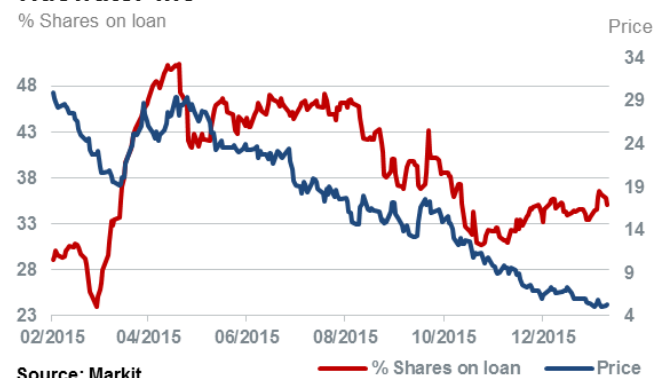
Outerwall Inc



Outerwall guided its Redbox video rental segment to deliver lower revenues. However, it's increased promotional spend which was intended to "encourage consumers to return

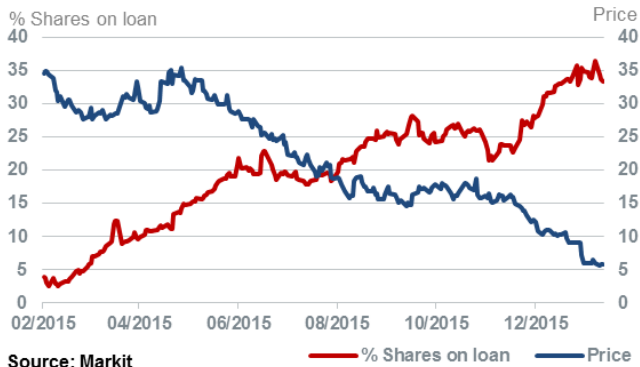
to normal rental patterns" impacted earnings. The firm was already highly shorted before the announcement and short sellers have been spurred on by recent events, with short interest rising to 40% since December 7th and shares falling 44%.

Tidewater Inc



Short sellers have been **covering** positions in second most shorted Tidewater, with short interest briefly holding below a third of shares outstanding on loan. However increased shorting activity has been seen in the new year ahead of a dividend **suspension** announced this week. Short interest has increased back to 35% as shares continue their slide, down 81% over the past 12 months.

Atwood Oceanics Inc



Source: Markit

Similarly, with a third of shares sold short, Atwood Oceanics as seen resurgence in shorting activity despite the stock falling 82% in the last 12 months.

Noble Corporation Plc



Source: Markit

Not to be confused with Singapore listed **Noble Group**, Noble Corporation PLC (NE) saw short sellers push shares outstanding on loan to 37% in late 2015 with short interest declining to 33% currently. The stock is down 43% in the last three months alone.

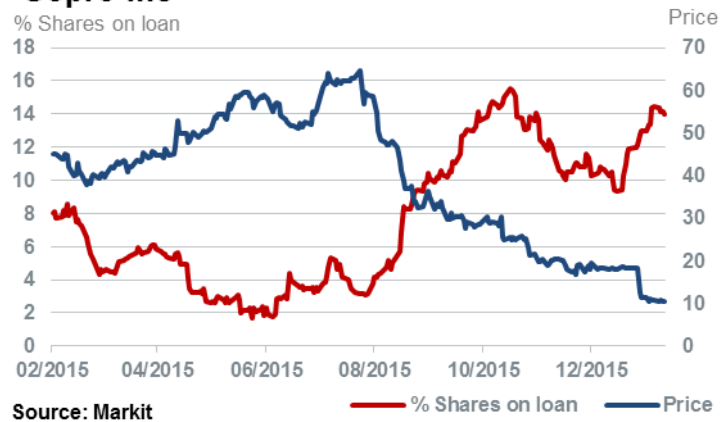
Fitbit Inc



Source: Markit

Outside top twenty most shorted are **newly listed** consumer technology firms Fitbit and Gopro with 9.9% and 14% of shares outstanding on loan respectively. Shares in both companies have cratered in 2016, with Fitbit falling 47% and Gopro fairsing marginally better, declining by 41%.

Gopro Inc



Source: Markit

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Tgs Nopec Geophysical Company	Oil & Gas Equipment & Services	TGS	02/02/2016	17.2	26%
Ocado Group Plc	Internet Retail	OCDO	02/02/2016	16.7	31%
Metsu Oyj	Industrial Machinery	MEOTV	02/04/2016	12.8	21%
Nyrstar Nv	Diversified Metals & Mining	NYR	02/04/2016	13.2	1%
Fingerprint Cards Ab	Electronic Equipment & Instruments	FING B	02/04/2016	12.0	29%
Lundin Petroleum Ab	Oil & Gas Exploration & Production	LUPE	02/03/2016	11.2	17%
Prosafe Se	Oil & Gas Equipment & Services	PRS	02/04/2016	11.8	38%
Sandvik Ab	Industrial Machinery	SAND	02/03/2016	10.1	15%
Fagron Nv	Health Care Distributors	FAGR	02/05/2016	9.1	8%
Yit Oyj	Construction & Engineering	YTYIV	02/05/2016	8.0	8%
Konecranes Abp	Industrial Machinery	KCRIV	02/03/2016	7.2	-9%
Norske Skogindustrier Asa	Paper Products	NSG	02/05/2016	7.2	-2%
Banco Comercial Portugues Sa	Diversified Banks	BCP	02/01/2016	7.0	8%
Umicore Nv	Specialty Chemicals	UMI	02/05/2016	7.3	-2%
Nokian Tyres Plc	Tires & Rubber	NREIV	02/05/2016	5.7	5%
Modern Times Group Mtg Ab	Broadcasting	MTG B	02/03/2016	5.1	7%
Neste Oyj	Oil & Gas Refining & Marketing	NESTE	02/04/2016	5.2	12%
Alfa Laval Ab	Industrial Machinery	ALFA	02/02/2016	5.3	16%
Hargreaves Lansdown Plc	Asset Management & Custody Banks	HL	02/03/2016	4.9	15%
Leonteq Ag	Asset Management & Custody Banks	LEON	02/04/2016	4.7	26%

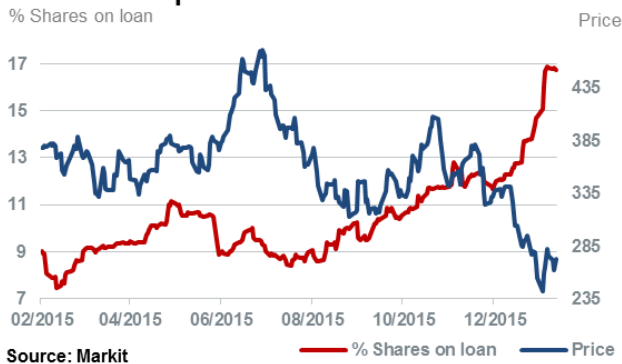
Most shorted ahead of earnings in Europe is Tgs Nopec Geophysical whose shares have **continued** to fall down by a quarter in the last three months alone. Short sellers continue to target the geological consulting firm which services the oil industry. Currently 17% of shares are outstanding on loan.

Tgs Nopec Geophysical Company Asa



Second most shorted in Europe ahead of earnings but fourth most shorted across the FTSE 250 & FTSE 100 is online retailer Ocado. With 17.7% of shares outstanding on loan the stock has been heavily impacted by activities of rival Amazon. First, investor concerns over **competition** sent shares lower in December 2015 and then **rumours of a potential** tie up in 2016, with Amazon saw shares stage a brief rally.

Ocado Group Plc



Third most shorted ahead of earnings in Europe is Helsinki based Metso, a minerals processor, aggregate and services supplier to the oil & gas and mining sector. Shares have fallen by 32% in the last 12 months as short sellers raised positions by 90% with shares outstanding on loan increasing to 17%.

Metso Oyj



Resilient short sellers, who have been prepared to pay above 20% to short Fingerprint Cards Ab for over 12 months have increased positions to 12% of shares outstanding on loan. This follows a 15% selloff in shares in 2016 after the stock ran an incredible rally over the last 12 months.

Fingerprint Cards Ab



Fingerprint Cards AB has benefited from the proliferation of fingerprint sensors in smartphones and the stock has risen 1300%, including the recent selloff.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Nikon Corp	Consumer Electronics	7731	02/04/2016	21.5	-9%
Ibiden Co Ltd	Electronic Components	4062	02/04/2016	14.3	-16%
Sharp Corp	Consumer Electronics	6753	02/04/2016	13.6	4%
Future Venture Capital Co Ltd	Asset Management & Custody Banks	8462	02/01/2016	12.0	460%
Casio Computer Co Ltd	Consumer Electronics	6952	02/02/2016	13.5	17%
Mitsumi Electric Co Ltd	Electronic Components	6767	02/04/2016	13.5	-18%
Pci Holdings Inc	IT Consulting & Other Services	3918	02/04/2016	11.3	72%
Toshiba Corp	Industrial Conglomerates	6502	02/04/2016	10.8	16%
Whitehaven Coal Ltd	Coal & Consumable Fuels	WHC	02/05/2016	10.5	-3%
Edion Corp	Computer & Electronics Retail	2730	02/05/2016	11.7	-4%
Kakaku Com Inc	Internet Software & Services	2371	02/03/2016	9.0	-15%
Nippon Ceramic Co Ltd	Electronic Components	6929	02/05/2016	9.3	7%
Ehime Bank Ltd	Regional Banks	8541	02/01/2016	8.0	-1%
Samsung Heavy Industries Co Ltd	Construction Machinery & Heavy Trucks	010140	02/01/2016	8.5	25%
Nihon Unisys Ltd	IT Consulting & Other Services	8056	02/03/2016	8.6	0%
Japan Airport Terminal Co Ltd	Airport Services	9706	02/03/2016	7.7	27%
Nippon Yakin Kogyo Co Ltd	Steel	5480	02/05/2016	7.1	-9%
Ricoh Co Ltd	Technology Hardware, Storage & Peripherals	7752	02/01/2016	7.2	0%
Yamada Denki Co Ltd	Computer & Electronics Retail	9831	02/04/2016	8.2	4%
Trans Genic Inc	Biotechnology	2342	02/04/2016	6.6	71%

Short sellers continue to target Japanese camera maker Nikon who is the most shorted ahead of earnings in Apac with 21.5% of shares outstanding on loan. The company managed to maintain a flat dividend in FY15 however is expected to halve its annual dividend this year.

Nikon Corp



Third most shorted ahead of earnings in Apac is Sharp with 13.6% of shares outstanding on loan. Shares have fallen 40% in the last 12 months and the struggling electronics firm is now subject to **take over bids** from rivals in the region.

Sharp Corp



Shares in Casio have fallen by a fifth year to date attracting an 18% increase in short interest with shares outstanding on loan rising to 13.5%. The company is guiding a 22% lower final dividend for FY16 while earnings are expected to come in at JPY 33bn, up almost 25%. Markit Dividend Forecasting notes that current guidance translates to a payout ratio of about 28% which is relatively conservative compared to its recent trend of paying out around 40%.

Casio Computer Co Ltd



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