

# Most shorted ahead of earnings

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

- Mediterranean inspired fast casual restaurant Zoe's kitchen most shorted in North America
- Short sellers continue to hold positions in online retailer AO World ahead of earnings
- Rising Japanese tea seller Ito the most short sold in Apac, followed by fashion retailer Esprit

## North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Zoe's Kitchen Inc	Restaurants	ZOES	05/06/2015	48.1	2%
Canadian Western Bank	Regional Banks	CWB	05/06/2015	16.7	-7%
Hovnanian Enterprises Inc	Homebuilding	HOV	05/06/2015	14.7	9%
Five Below Inc	Specialty Stores	FIVE	04/06/2015	13.9	-8%
US Worldwide Inc	Air Freight & Logistics	UTW	06/06/2015	13.8	-1%
Corus Inc	Computer & Electronics Retail	CONN	03/06/2015	12.8	35%
Ciena Corp	Communications Equipment	CEN	06/06/2015	12.5	7%
Amantia Inc	Semiconductors	AMBA	03/06/2015	12.4	21%
Alkam Inc	Pharmaceuticals	AKIX	07/06/2015	12.2	-5%
FuelCell Energy Inc	Electrical Components & Equipment	FCBL	04/06/2015	12.8	2%
Quikrete Inc	Apparel, Accessories & Luxury Goods	QKH	03/06/2015	11.8	10%
Boehringer Laboratories Inc	Health Care Services	BRU	06/06/2015	11.8	-9%
Lands End Inc	Internet Retail	LE	05/06/2015	11.4	7%
Quess? Inc	Apparel Retail	QES	03/06/2015	11.3	2%
Jay Global Inc	Construction Machinery & Heavy Trucks	JGY	05/06/2015	11.3	24%
Vista Bradley Inc	Apparel, Accessories & Luxury Goods	VRA	04/06/2015	9.8	-5%
Major Drilling Group International Inc	Diversified Metals & Mining	MDI	06/06/2015	8.8	-11%
Laurentian Bank Of Canada	Regional Banks	LB	04/06/2015	8.3	2%
Matross Firm Holding Corp	Homefurnishing Retail	MFRM	04/06/2015	8.2	-17%
Navistar International Corp	Construction Machinery & Heavy Trucks	NAV	06/06/2015	8.8	7%

Zoe's Kitchen **returns** and retains the position of the most shorted stock ahead of earnings in North America this week.

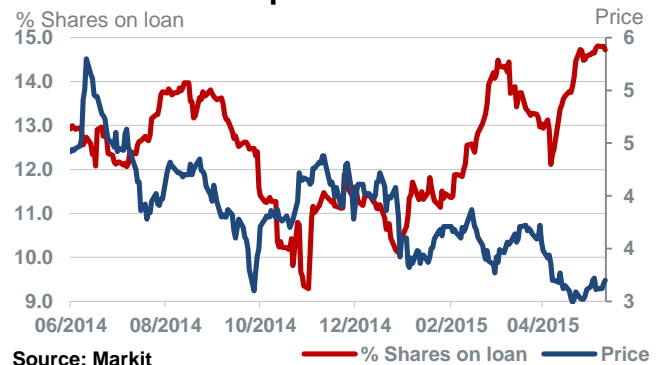
Short sellers continue to target the stock with 40% of shares outstanding on loan. Shares have declined by 9% in the last three months. The restaurant's IPO in 2014 saw the stock **surge** over 65%. The company is expected to grow sales substantially according to consensus forecasts - however material earnings are not yet expected.

## Zoe'S Kitchen Inc



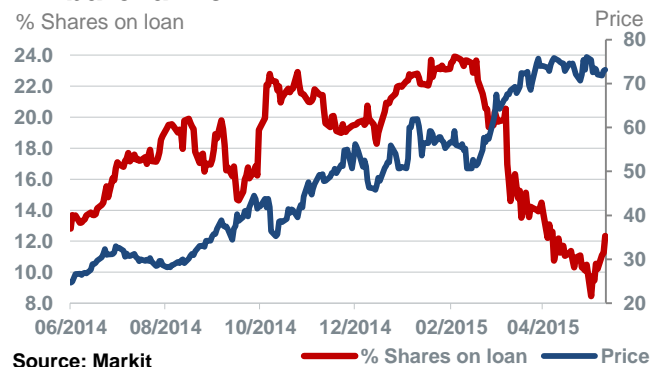
With 14.7% of shares outstanding on loan is US homebuilder and seller, Hovnanian Enterprises. Consensus forecasts expect the company to grow sales significantly for the fiscal year ending October 2015 however earnings forecasts point to a collapse, declining from \$300m to \$6m.

## Hovnanian Enterprises Inc



Short sellers in Ambarella have been covering during the recent share price rise but shares outstanding on have loan spiked in the last month, rising 45% to 12.3%.

## Ambarella Inc



Ambarella, a producer of compression semiconductor chips, is up by an astonishing 237% in the last 12 months. Driven in part by large increases in company sales, net income has doubled for the company over the last year. However earnings growth is expected to slow for the year ending January 2016.

### Western Europe

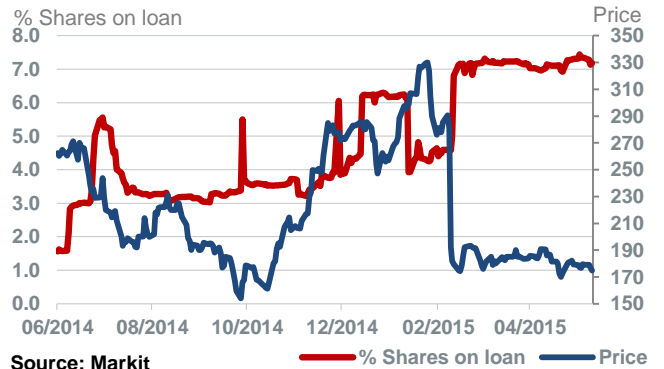
It has been a relatively quiet week ahead for short sold companies in Europe about to report earnings. Only two single names register material levels of short interest as measured by the percentage of shares outstanding on loan.

Most short sold is Elekta with 23.5% of shares outstanding on loan. The company provides healthcare services, specialising in cancer and brain disorder treatments. Shares have declined by 22% in May post the company **guiding** for weaker full year results earlier in the month.

### Elekta Publ Ab



### Ao World Plc



Online retailer AO World is the second most shorted stock in Europe with 7.2% of shares outstanding on loan. The company saw shares **plunge** by a third in February when it guided profit expectations down by a third.

### Asia Pacific

Name	Industry	Share	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Ito En Ltd	Soft Drinks	2081	03/06/2015	5.7	-8%
Esprit Holdings Ltd	Apparel Retail	336	03/06/2015	3.4	5%
Kiaia Holdings	Automotive Retail	90140	03/06/2015	5.1	-5%
The Corporation Ltd	Forest Products	TTC	03/06/2015	3.8	-13%
China Ocean Resources Co Ltd	Packaged Foods & Meats	90050	03/06/2015	3.8	2%

Most shorted in Apac this week is Tokyo based producer and seller of tea leaves Ito En, which currently has 5.7% of shares outstanding on loan. Shares in the company have rallied by 24% in the past six months, attracting increased interest from short sellers.

### Ito En Ltd



Second most shorted ahead of earnings in Apac is Hong Kong based global fashion wholesaler and retailer Esprit. The company issued a profit warning in early May, citing

weak performances emanating out of Chinese operations. Shares outstanding on loan have increased throughout the year to reach 5.4% currently while the stock has declined by 34% in the last 12 months

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