

Most shorted ahead of earnings

A review of how short sellers are positioning themselves in companies due to announce results in the coming week.

- 126% increase in short interest in Neustar as the company loses its role as the American phonebook administrator
- Finnish tyre maker Nokian's short interest climbs to 17% as Russian sales plummet
- Nikon and Sharp see 20% rise in short interest as Japanese electronics makers struggle with weaker yen and markets

North America

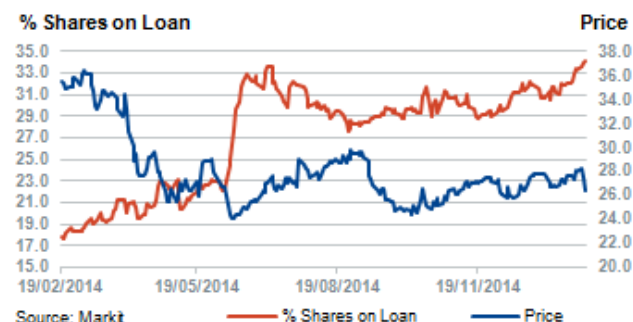
Oil & gas, energy and healthcare dominate the firms seeing highest short interest ahead of earnings in the US this week. Whereas record low oil prices explain why many oil and energy firms are struggling, healthcare may be being punished for performing too well as the sector was one of the top performers in 2014 and is currently up almost **30% over** the last 12 months.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Neustar Inc	Data Processing & Outsourced Services	NSR	04/02/2015	34.1	11%
Myriad Genetics Inc	Biotechnology	MYGN	04/02/2015	32.6	-2%
Arc Group World Wide Inc	Industrial Machinery	ARCWD	06/02/2015	31.9	1%
Cliffs Natural Resources Inc	Steel	CLF	03/02/2015	30.3	12%
Energy XXI Ltd	Oil & Gas Exploration & Production	EXXI	07/02/2015	28.5	6%
Outenwall Inc	Specialty Stores	OUTR	06/02/2015	27.3	19%
Athenahealth Inc	Health Care Technology	ATHN	06/02/2015	24.4	-5%
Amag Pharmaceuticals Inc	Biotechnology	AMAG	07/02/2015	20.9	20%
Unilife Corp	Health Care Supplies	UNIS	04/02/2015	19.9	2%
Post Holdings Inc	Packaged Foods & Meats	POST	07/02/2015	19.6	-1%
Irobot Corp	Household Appliances	IRBT	05/02/2015	19.2	6%
Hercules Offshore Inc	Oil & Gas Drilling	HERO	07/02/2015	19.1	-6%
Affymetrix Inc	Life Sciences Tools & Services	AFFX	05/02/2015	18.8	12%
Proto Labs Inc	Industrial Machinery	PRLB	06/02/2015	18.5	-15%
ChannelAdvisor Corp	Internet Software & Services	ECOM	06/02/2015	18.0	7%
Osisko Gold Royalties Ltd	Gold	OR	06/02/2015	17.8	160%
Arch Coal Inc	Coal & Consumable Fuels	ACI	04/02/2015	17.4	2%
Theravance Inc	Pharmaceuticals	THRX	07/02/2015	17.1	-1%
Noble Corporation Plc	Oil & Gas Drilling	NE	05/02/2015	16.7	22%
Geospace Technologies Corp	Oil & Gas Equipment & Services	GEOS	05/02/2015	16.4	7%

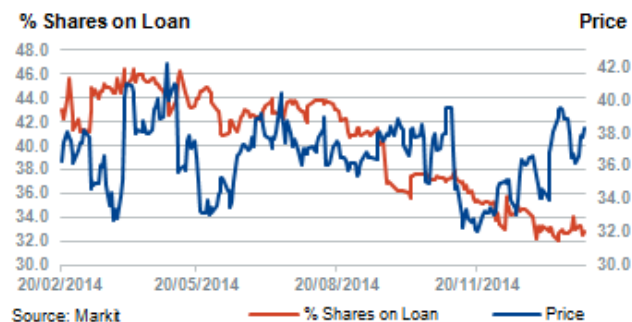
Online security, data and marketing firm Neustar is the most shorted ahead of earnings with 34% of shares outstanding out on loan. The company helps corporates prevent hacks and threats on websites such as **twitter**. The stock has seen a significant increase in short interest growing by 127% over the last year. The stock enjoyed a strong 15% run in 2013, but fell by 26% over the last 12 months.

Concerns over the company's future gained attention in 2013 **as 48%** of its revenue was derived from a single, highly profitable business contract that came under scrutiny. The contract involved the management and running of the entire US phone registry database – a function known as the Local Number Portability Administrator. On January 29th 2014 the company **announced** that it was notified that its proposal for the next contract term would not be considered.

Neustar Inc



Myriad Genetics develops and markets molecular diagnostic products. The company lost a court ruling in the **US Appeals** court, which decided that the company cannot block competitors from conducting similar DNA tests. The ruling also mentioned that those patents granted for the Myriad tests should have never been issued in the first place.

Myriad Genetics Inc


Myriad currently has 33% of shares outstanding on loan and the share price is up 11% over the past volatile year.

Third most shorted in the US is ARC group, a specialised manufacturing and 3D printing company. The company's share price is down by 65% to \$8.22 since peaking at \$23 in September 2014. Short sellers have increased positions however, with shares outstanding on loan increasing by 30% since September 2014 to stand at 32% currently.

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Tgs Nopec Geophysical Company As	Oil & Gas Equipment & Services	TGS	06/02/2015	20.4	-6%
Sbm Offshore Nv	Oil & Gas Equipment & Services	SBMO	05/02/2015	17.5	8%
Nokian Tyres Plc	Tires & Rubber	NRE1V	06/02/2015	17.0	0%
Yit Oyj	Construction & Engineering	YTY1V	06/02/2015	12.8	4%
Heidelberger Druckmaschinen Ag	Industrial Machinery	HDD	05/02/2015	10.6	8%
Outotec Oyj	Construction & Engineering	OTE1V	07/02/2015	10.3	7%
Lundin Petroleum Ab	Oil & Gas Exploration & Production	LUPE	05/02/2015	9.0	0%
Ocado Group Plc	Internet Retail	OCDO	04/02/2015	8.2	-17%
Alcatel Lucent Sa	Communications Equipment	ALU	07/02/2015	7.9	-12%
Banco Comercial Portugues Sa	Diversified Banks	BCP	03/02/2015	7.8	30%
Dno Asa	Oil & Gas Exploration & Production	DNO	06/02/2015	7.6	34%
Neste Oil Oyj	Oil & Gas Refining & Marketing	NES1V	05/02/2015	7.4	43%
Arcam Publ Ab	Industrial Machinery	ARCM	06/02/2015	7.4	2%
Axis Ab	Electronic Equipment & Instruments	AXIS	31/01/2015	6.2	-2%
Konecranes Abp	Industrial Machinery	KCR1V	05/02/2015	5.9	2%
Marine Harvest Asa	Packaged Foods & Meats	MHG	05/02/2015	5.6	5%
Alfa Laval Ab	Industrial Machinery	ALFA	04/02/2015	5.0	14%
Orion Oyj	Pharmaceuticals	ORNEV	05/02/2015	4.5	-5%
Banco Popular Espanol Sa	Diversified Banks	POP	31/01/2015	4.4	15%
Hargreaves Lansdown Plc	Asset Management & Custody Banks	HL	05/02/2015	4.0	7%

The top two most heavily shorted companies in Europe ahead of earnings this week are oil and gas service providers TGS and SBM Offshore, with 20% and 18% of shares outstanding on loan respectively. TGS is a Norwegian based geophysical services provider to the oil and gas industry while SBM provides offshore services to the global oil and gas industry.

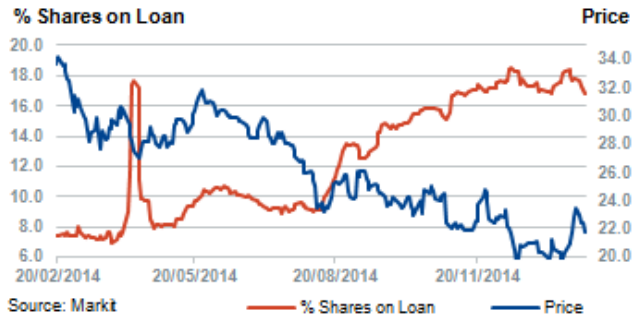
Tgs Nopec Geophysical Company Asa


Companies which service the oil and gas industries continue to struggle against low crude oil prices as major and minor energy firms alike continue to cut capital expenditure expansion and look to contract certain operations and decrease supply.

Sbm Offshore Nv


Nokian Tyres is the third most shorted company this week in Europe. Currently 33% of shares outstanding are sold short. The Finish based tyre maker's biggest market is Russia followed by Europe at 20%. The shares have suffered over the last 12 months as the Russian economy struggled with sanctions and record low oil prices and signs of deflation and slower economic growth emerge in the eurozone.

Nokian Tyres Plc



Nikon Corp



Nikon has also seen a spike in short interest as short sellers increase positions by 17%, with 13% of the company's shares outstanding currently on loan.

Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Yamada Denki Co Ltd	Computer & Electronics Retail	9831	06/02/2015	20.6	1%
Gree Inc	Internet Software & Services	3632	05/02/2015	14.0	4%
Sharp Corp	Consumer Electronics	6753	04/02/2015	13.7	19%
Osaki Electric Co Ltd	Electronic Equipment & Instruments	6644	04/02/2015	13.7	1%
Nikon Corp	Consumer Electronics	7731	06/02/2015	12.8	17%
Edion Corp	Computer & Electronics Retail	2730	07/02/2015	10.1	-4%
Nippon Yakin Kogyo Co Ltd	Steel	5480	06/02/2015	9.6	13%
Mixi Inc	Internet Software & Services	2121	07/02/2015	9.4	18%
Dena Co Ltd	Internet Software & Services	2432	06/02/2015	9.1	6%
Jb Hi Fi Ltd	Computer & Electronics Retail	JBH	04/02/2015	9.5	-15%
Crooz Inc	Internet Software & Services	2138	07/02/2015	8.3	38%
Whitehaven Coal Ltd	Coal & Consumable Fuels	WHC	31/01/2015	8.1	-2%
Tonishima Pump Mfg Co Ltd	Industrial Machinery	6363	06/02/2015	7.7	2%
K'S Holdings Corp	Computer & Electronics Retail	8282	06/02/2015	7.5	0%
Micronics Japan Co Ltd	Semiconductor Equipment	6871	05/02/2015	7.4	2%
Kakaku.Com Inc	Internet Software & Services	2371	05/02/2015	7.3	16%
Tsumura & Co	Pharmaceuticals	4540	07/02/2015	7.2	0%
Endo Lighting Corp	Electrical Components & Equipment	6932	31/01/2015	6.9	15%
Japan Steel Works Ltd	Industrial Machinery	5631	03/02/2015	6.7	4%
Senko Co Ltd	Trucking	9069	31/01/2015	6.5	3%

Continuing on **last week's theme** Asian consumer and electronics manufacturers are again seeing high levels short interest ahead of earnings.

Sharp Corp has seen a 19% increase in short sellers this past month as shares outstanding on loan reach 14%. The company guided profit down in January 2015 and **cited** competition from Asian rivals driving prices down and the weaker Japanese yen for the disappointing results.

Relte Stephen Schutte

Analyst
Markit
Tel: +44 207 064 6447
Email: relte.schutte@markit.com

For further information, please visit www.markit.com

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