

Most shorted ahead of earnings

A review of how short sellers are positioning themselves ahead of earnings announcements in the coming week, plus names identified as being at risk of experiencing a short squeeze

- Shorts continue to hold the rope in Tidewater as shares continue to crater
- High in demand and short sold Zillow is at high risk of squeezing ahead of earnings
- In Apac short sellers cover in Casio but hold strong in Nikon and Noble

North America

Name	Industry	Ticker	Value on loan (\$m)	% Shares Outstanding On Loan	1 Month % Change
Encore Capital Group Inc	Consumer Finance	ECPG	394,102,944	38.7	11%
Tidewater Inc	Oil & Gas Equipment & Services	TDW	217,068,704	35.5	-4%
Home Capital Group Inc	Thriffs & Mortgage Finance	HCG	526,287,168	31.0	-10%
Myriad Genetics Inc	Biotechnology	MYGN	879,231,424	30.0	-9%
Chesapeake Energy Corp	Oil & Gas Exploration & Product	CHK	1,391,597,696	29.4	-2%
Lannett Company Inc	Pharmaceuticals	LCI	489,610,464	29.1	13%
Biodelivery Sciences International Inc	Pharmaceuticals	BDSI	83,574,064	28.6	8%
Labrador Iron Ore Royalty Corp	Steel	LIF	219,866,800	28.6	2%
Zillow Group Inc	Internet Software & Services	ZG	527,874,880	28.3	-7%
Northern Oil And Gas Inc	Oil & Gas Exploration & Product	NOG	77,838,304	27.8	-10%
Quebecor Inc	Cable & Satellite	QBR.B	525,947,808	26.7	5%
United States Steel Corp	Steel	X	425,663,424	26.1	5%
Taser International Inc	Aerospace & Defense	TASR	318,527,200	25.2	-17%
Bioscrip Inc	Health Care Services	BIOS	36,454,844	24.9	9%
Denbury Resources Inc	Oil & Gas Exploration & Product	DNR	300,898,880	24.5	5%
Orexigen Therapeutics Inc	Biotechnology	OREX	92,380,648	23.8	25%
Bill Barrett Corp	Oil & Gas Exploration & Product	BBG	55,589,452	23.6	13%
Stenis Corp	Health Care Equipment	STE	985,515,392	23.1	30%
Stratasys Ltd	Technology Hardware, Storage	SSYS	317,111,520	23.1	-1%
Discovery Communications Inc	Broadcasting	DISCA	984,713,280	22.5	-1%

Most shorted in North America ahead of earnings this week is Encore Capital with 38.7% of shares outstanding on loan.

Encore Capital Group Inc



Encore acquires consumer and property debt portfolios providing debt management services. Shares have drifted lower by 7.6% year to date.

Tidewater has traded the top spot with Encore for the quarter and is the second most

shorted ahead of earnings in North America with 35.5% of shares outstanding on loan. Over the last three months, short sellers have covered a quarter of positions in the stock, which has shed a further 37%.

Tidewater Inc



Canadian residential mortgage lender Home Capital is the **most shorted stock in Canada** and the third most shorted ahead of earnings in North America, currently with 31% of shares outstanding on loan.

Home Capital Group Inc



Short Squeeze

Markit Research Signal's Short Squeeze model* identifies companies highly likely to suffer a squeeze under current trading conditions.

One such company currently identified is online property portal Zillow with 28.3% of shares outstanding on loan. The cost to borrow the stock currently remains above 15%, near all-time highs with more than 80% of available quantity to borrow utilised.

Zillow Group Inc



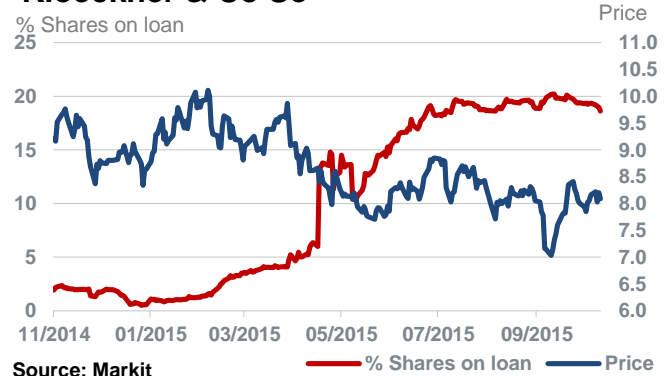
Shares in Zillow have rallied 20% since the beginning of August, putting pressure on shorts.

Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Kloeckner & Co Se	Trading Companies & Distributor	KCO	03/11/2015	18.6	-6%
Solocal Group Sa	Publishing	LOCAL	05/11/2015	17.2	168%
Rec Silicon Asa	Semiconductor Equipment	REC	04/11/2015	15.7	-8%
Tag Immobilien Ag	Real Estate Development	TEG	05/11/2015	14.6	3%
Indra Sistemas Sa	IT Consulting & Other Services	IDR	05/11/2015	14.2	1%
Alstom Sa	Heavy Electrical Equipment	ALO	05/11/2015	12.1	12%
Cgg Sa	Oil & Gas Equipment & Services	CGG	05/11/2015	10.5	-4%
Telecom Italia Spa	Integrated Telecommunication	STI	05/11/2015	9.1	-10%
Alstria Office Reit Ag	Office REITs	AOX	03/11/2015	9.0	-32%
Acerinox Sa	Steel	ACX	30/10/2015	8.7	43%

Most shorted ahead of earnings in Europe is German based Kloeckner & Co with 18.6% of shares outstanding on loan. The company manufactures and distributes finished steel products around the world and has struggled since the end of 2014, posting consecutive losses for the last three quarters.

Kloeckner & Co Se



Short sellers have increased positions in Kloeckner by more than tenfold in the last 12 months and consensus forecasts expect the firm to break even for the third quarter.

Solocal Group Sa



Second most shorted in Europe is French based digital communication agency Solocal with 6.3% of shares outstanding on loan.

Stock in the company has fallen 56% in the last 12 months with a recent 30-to-1 consolidation occurring. Shares in the company have fallen 95% since the beginning of 2011.

Rec Silicon Asa



Third most shorted in Europe is Rec Silicon, a solar panel maker with 15.7% of shares outstanding on loan. Short sellers have doubled positions in the stock over the last six months as earnings have come under pressure, with the company looking to shut one of its two US based manufacturing plants.

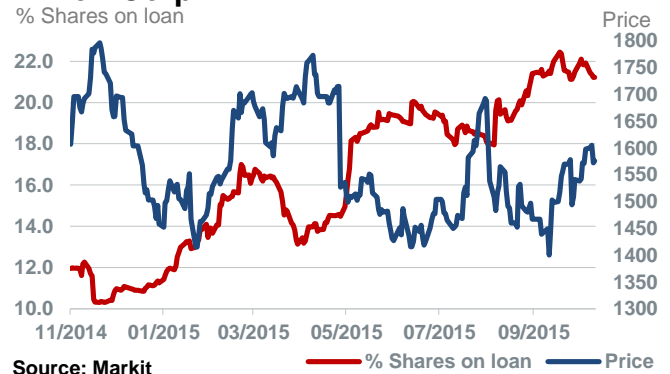
The possible closure is a consequence of **Chinese tariffs** in retaliation to US anti-dumping duties on Chinese imports.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Nikon Corp	Consumer Electronics	7731	06/11/2015	21.2	-4%
Noble Group Ltd	Trading Companies & Distributor	N21	06/11/2015	14.6	-1%
Casio Computer Co Ltd	Consumer Electronics	6952	04/11/2015	14.0	0%
Edion Corp	Computer & Electronics Retail	2730	06/11/2015	12.0	-5%
Kakaku Com Inc	Internet Software & Services	2371	05/11/2015	11.3	2%
Mitsumi Electric Co Ltd	Electronic Components	6767	05/11/2015	11.0	-25%
Yamada Denki Co Ltd	Computer & Electronics Retail	9831	05/11/2015	9.9	-11%
Ezion Holdings Ltd	Oil & Gas Equipment & Services	5ME	06/11/2015	9.0	-9%
United Inc	Internet Software & Services	2497	04/11/2015	8.9	-3%
Intage Holdings Inc	Advertising	4326	06/11/2015	8.6	-1%

Most short sold in Apac is Japanese optics and imaging company Nikon. Well-known for its consumer cameras, short sellers have doubled positions to 21.2% over the last 12 months, but the stock price overall has held steady over that period. Revenue and earnings **continue** to stagnate at Nikon as consumers rely more and more on mobile devices for photography.

Nikon Corp



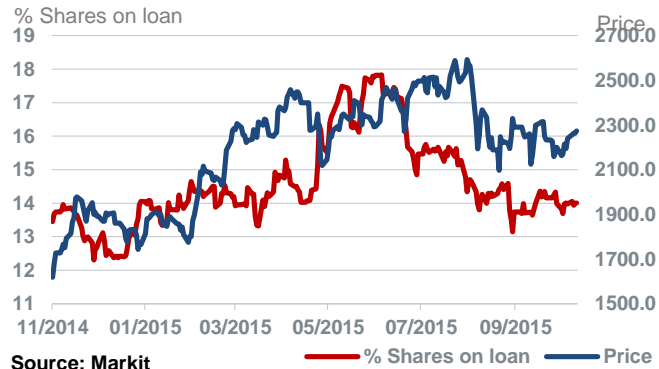
Second most shorted ahead of earnings is Singapore-listed commodities trader Noble Group with 14.6% of shares outstanding on loan. Accusations of accounting irregularities and the global commodities slump saw short interest spike recently and remain at elevated levels. This occurs while the stock price has lost 54% year to date.

Noble Group Ltd



Third most shorted ahead of earnings in Apac is Casio with 14% of shares outstanding on loan. Short sellers covered almost a fifth of positions prior to the stock falling by 12%, with some slight additional covering seen in late August. Despite the recent decline, the stock is up over 37% over the last 12 months.

Casio Computer Co Ltd



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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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