

# Most shorted heading into 2016

Our final commentary note of the year looks at the companies which see the highest amount of short interest heading into 2016.

- The current 20 most shorted companies have seen shorts increase by 50% over the year
- Gamestop is the most shorted company globally with 47% of its shares out on loan
- Capital goods and energy firms make up a third of the most shorted companies globally

Our final look at what has been an active, and fruitful year for short sellers, both in the US and overseas, focuses on the firms across the world which see the most proportion of their shares out on loan heading into the new year.

## Americas most shorted

Name	Ticker	Sector	% of Shares out on Loan	YTD Change
Gamestop Corp	GME	Retailing	47.1	3%
Zoe'S Kitchen Inc	ZOES	Consumer Services	45.7	29%
Outerwall Inc	OUTR	Retailing	42.1	90%
Noble Corporation Plc	NE	Energy	36.5	173%
Encore Capital Group Inc	ECPG	Diversified Financials	36.2	38%
Rev Energy Corp	REXX	Energy	35.8	21%
Tidewater Inc	TDW	Energy	34.1	45%
BofI Holding Inc	BOFI	Banks	33.4	222%
Neustar Inc	NSR	Software & Services	33.2	8%
Sanderson Farms Inc	SAFM	Food, Beverage & Tobacco	33.1	15%
Lumber Liquidators Holdings Inc	LL	Retailing	32.9	41%
Chesapeake Energy Corp	CHK	Energy	32.1	364%
Northern Oil And Gas Inc	NOG	Energy	30.5	11%
Biodelivery Sciences International Inc	BDSI	Pharmaceuticals, Biotechnology & Life Sciences	30.4	380%
Approach Resources Inc	AREX	Energy	30.2	-20%
Sanchez Energy Corp	SN	Energy	30.1	-5%
Cal-Maine Foods Inc	CALM	Food, Beverage & Tobacco	29.9	175%
SunEdison Inc	SUNE	Semiconductors & Semiconductor Equipment	29.9	144%
Ovascience Inc	OVAS	Pharmaceuticals, Biotechnology & Life Sciences	29.9	301%
Lindsay Corp	LNN	Capital Goods	29.1	22%

## Europe most shorted

Name	Ticker	Sector	% of Shares out on Loan	YTD Change
Carillion Plc	CLLN	EMEA Capital Goods	25.7	215%
Swatch Group Sa	UHR	EMEA Consumer Durables & Apparel	25.2	234%
Wm Morrison Supermarkets Plc	MRW	EMEA Food & Staples Retailing	20.7	67%
Aixtron Se	AIXA	EMEA Semiconductors & Semiconductor Equipme	20.4	91%
Wirecard Ag	WDI	EMEA Software & Services	20.1	515%
Vallourec Sa	VK	EMEA Capital Goods	19.3	115%
Fisimith & Co A/S	FLS	EMEA Capital Goods	19.1	21%
Kloeckner & Co Se	KCO	EMEA Capital Goods	17.0	1062%
Astaldi Spa	AST	EMEA Capital Goods	17.0	99%
Basilea Pharmaceutica Ag	BSLN	EMEA Pharmaceuticals, Biotechnology & Life Scie	16.5	96%
J Sainsbury Plc	SBRY	EMEA Food & Staples Retailing	16.2	5%
Tgs Npoco Geophysical Company Asa	TGS	EMEA Energy	14.9	-31%
Outotec Oyj	OTEV	EMEA Capital Goods	14.7	54%
Saipem Spa	SPM	EMEA Energy	14.6	93%
Sbm Offshore Nv	SBMO	EMEA Energy	14.5	-10%
Heidelberger Druckmaschinen Ag	HDD	EMEA Capital Goods	14.5	48%
Tag Immobilien Ag	TEG	EMEA Real Estate	14.2	24%
Telecom Italia Spa	TIT	EMEA Telecommunication Services	13.7	-10%
Indra Sistemas Sa	IDR	EMEA Software & Services	13.4	357%
Elektta Publ Ab	EKTA B	EMEA Health Care Equipment & Services	13.0	-41%

## Asia most shorted

Name	Ticker	Sector	% of Shares out on Loan	YTD Change
Metcash Ltd	MTS	Food & Staples Retailing	28.1	90%
Vocus Communications Ltd	VOC	Telecommunication Services	26.0	407%
Nikon Corp	7731	Consumer Durables & Apparel	23.1	112%
Monadelphous Group Ltd	MND	Capital Goods	19.7	73%
Myer Holdings Ltd	MYR	Retailing	19.2	8%
Jo Hi-Fi Ltd	JHF1	Retailing	19.6	65%
Mineral Resources Ltd	MNI	Commercial & Professional Services	17.1	106%
Klab Inc	3556	Software & Services	15.9	77%
Ibiden Co Ltd	4062	Technology Hardware & Equipment	15.2	1071%
Shanghai Electric Group Co Ltd	2727	Capital Goods	15.0	155%
Noble Group Ltd	N21	Capital Goods	14.5	11911%
Onica Ltd	ORI	Materials	13.7	156%
Mitsumi Electric Co Ltd	6767	Technology Hardware & Equipment	13.6	1541%
Pacific Metals Co Ltd	5541	Materials	13.4	219%
Advantest Corp	6857	Semiconductors & Semiconductor Equipment	13.1	84%
Sharp Corp	6753	Consumer Durables & Apparel	12.8	11%
Flight Centre Travel Group Ltd	FLT	Consumer Services	12.6	107%
China Vanke Co Ltd	2202	Real Estate	12.4	-51%
Casio Computer Co Ltd	6952	Consumer Durables & Apparel	12.3	-1%
Edion Corp	2730	Retailing	12.2	16%

At first glance, the 20 favourite short targets in the US, Europe and Asia sees that most of the firms on the list have seen their short interest surge over the course of the year. The 60 most shorted companies across the world had an average of 14% of their shares out on loan at the start of the year, a number which has subsequently climbed by over 50% to 22.6%. This demonstrates how short sellers have been actively shifting their positions in the last 12 months in reaction to shifting market circumstances.

On the short side, Noble Group saw the biggest proportional change in short interest over the year as its short interest jumped by 120 folds in the last 12 months. This massive jump makes the company the 11<sup>th</sup> most shorted in Asia with 14.5% of its shares now out on loan.

### Noble Group Ltd



On the other side of the change in short interest, short sellers seem to have given up on real estate developer China Vanke group as its short interest has halved year to date. While the company still makes it on to the

most shorted list, a growing number of short sellers look to be closing out their positions given that its shares have continued to climb in the last six months. China Vanke is still the exception to the norm however, as only seven of the 60 most shorted companies globally have seen short covering over 2015.



Interestingly, the most shorted firm globally, Game retailer Gamestop, has seen a relatively steady short interest in the last 12 months as demand to borrow its shares is only 3% higher than at the start of the year



## Energy and capital goods most shorted

Sector wise, the favourite targets of short sellers heading into 2016 are clustered around the capital goods and energy firms as these two sectors make up a third of the 60 firms which see the most interest. While these sectors were no stranger to short sellers at

the start of the year, the ongoing china slowdown and commodities headwinds have added to short sellers' resolve given that both sectors have seen a large jump in demand to borrow in the last 12 months.

On the energy side, the most shorted firm is Noble Group, Rex Energy and Tidewater while the favourite capital goods shorts are irrigation provider Lindsay Corp and construction firm Carillion.



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