

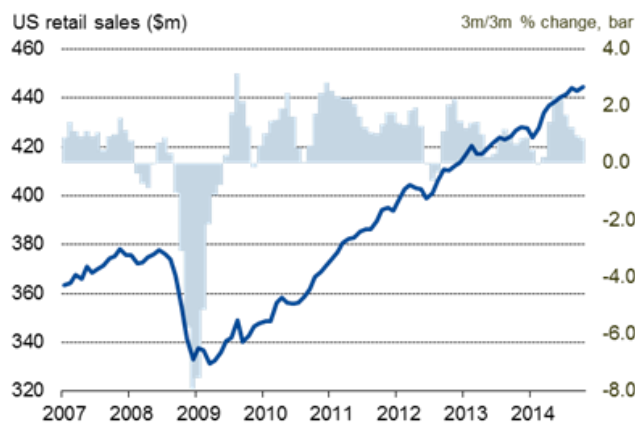
Most shorted of the week

We review how short sellers are reacting to companies due to announce earnings in the upcoming week.

- October US retails sales grow 0.3%
- US online and food speciality retailers have high levels of short interest ahead of earnings and the holiday season
- In Europe, short sellers may be betting against a dry bulk shipping merger
- UK wine retailer Majestic sees increased short selling
- Top shorts in Asia are Taiwanese and Japanese technology firms along with Australian mining and agricultural suppliers

North America

A number of speciality retailers have high levels of short interest ahead of earnings in the coming week as positive US sales numbers were released on Friday. Retail sales in the US picked up 0.3% in October (4.1% up year on year) after a decline of the same amount was reported in October, which sent fears of a subdued festive trading season into the equity markets.



Source: Ecowin.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Zoe'S Kitchen Inc	Hotels, Restaurants & Leisure	ZOES	20/11/2014	31.0	6%
Gamestop Corp	Specialty Retail	GME	20/11/2014	28.5	3%
Textura Corp	Internet Software & Services	TXTR	21/11/2014	27.1	3%
Fresh Market Inc	Food & Staples Retailing	TFM	21/11/2014	24.7	-2%
Imageaware Systems Inc	Software	IW	17/11/2014	19.2	15%
Post Holdings Inc	Food Products	POST	20/11/2014	18.5	3%
Bon-Ton Stores Inc	Multiline Retail	BONT	20/11/2014	17.5	-9%
Jinkosolar Hldg ADR Rep 4 Ord	Semiconductors & Semiconductor Equipment	JKS	20/11/2014	16.4	5%
Sandridge Energy Inc	Oil, Gas & Consumable Fuels	SD	19/11/2014	15.2	-13%
Buckle Inc	Specialty Retail	BKE	20/11/2014	13.3	10%
Childrens Place Inc	Specialty Retail	PLCE	20/11/2014	13.3	-11%
Hibbett Sports Inc	Specialty Retail	HIBB	21/11/2014	13.1	-6%
Redknee Solutions Inc	Software	RKN	19/11/2014	12.6	0%
Ja Solar Holdings ADR Rep 5 Ord	Semiconductors & Semiconductor Equipment	JASO	18/11/2014	11.5	1%
Gildan Activewear Inc	Textiles, Apparel & Luxury Goods	GIL	21/11/2014	11.2	-27%
Staples Inc	Specialty Retail	SPLS	19/11/2014	10.3	-12%
Sears Holdings Corp	Multiline Retail	SHLD	21/11/2014	9.6	-12%
Geospace Technologies Corp	Energy Equipment & Services	GEOS	20/11/2014	9.5	21%
Rogers Sugar Inc	Food Products	RSI	18/11/2014	9.4	3%

Gamestop Corp

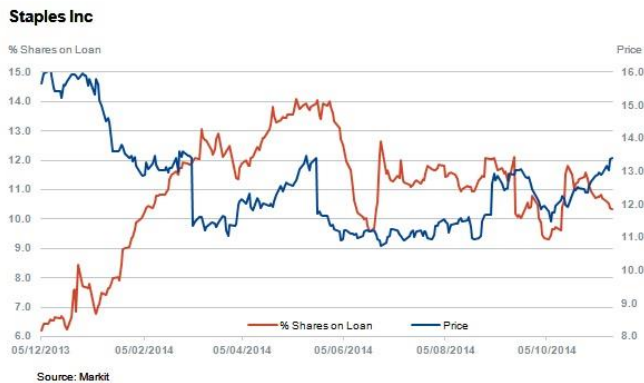


Source: Markit

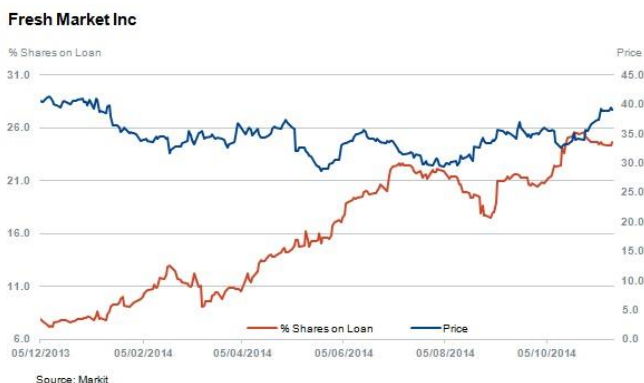
Gamestop, the online gaming retailer, has 29% of shares outstanding on loan and the company's shares are down 10% year to date. This may be due to the market continuing to take a negative view on the evolution of online console and game sales amid increased competition and digital distribution.

Console makers are going straight to digital release with new titles and consumers are changing their buying habits. Additionally, as [reported](#) earlier in the year, Gamestop's refurbished console business does quite well over holiday periods. However, the increase in digital release and uptake has eroded the primary market for second hand sales.

Office products and online retailer Staples share price is down 17% year to date and currently has 10% of shares outstanding on loan.



Food retailer Fresh Market has 25% of shares outstanding on loan. The share price is relatively flat year to date however, it is down 23% over the last twelve months tracking competitor Whole Foods Market whose share price has declined 21%. In comparison, Whole Foods short interest is lower at 6%.



Beyond retailers, short interest in solar energy company Jinkosolar has increased by 5% to 16.4% of shares outstanding and Ja

Solar also sees significant short interest with 11.5%. Solar and renewable energy firms have come under pressure as energy prices globally have declined and the short term viability of projects comes into question at reduced prices.

Europe

The largest short in the European market at the moment is Dutch technical services company Royal Imtech who had to revise accounts post fraudulent activity in Germany and Poland.

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Royal Imtech Nv	Construction & Engineering	IM	18/11/2014	17.1	40890%
Golden Ocean Group Ltd	Marine	GOWL	21/11/2014	13.9	8%
Medvir Ab	Biotechnology	MVIR B	20/11/2014	6.6	38%
Soitec Sa	Semiconductors & Semiconductor Equipmen	SOI	19/11/2014	6.3	5%
Majestic Wine Plc	Food & Staples Retailing	MJW	17/11/2014	5.7	4%
Evs Broadcast Equipment Sa	Communications Equipment	EVS	18/11/2014	5.5	-15%
Icap Plc	Capital Markets	IAP	19/11/2014	4.9	-15%
Wirecard Ag	IT Services	WDI	19/11/2014	4.6	3%
Rocket Internet Ag	Internet Software & Services	RKET	17/11/2014	4.0	-12%
Grand City Properties Sa	Real Estate Management & Development	GYC	17/11/2014	3.1	47%
Opus Group Publ Ab	Electronic Equipment, Instruments & Compor	OPUS	21/11/2014	3.1	-4%
Bw Lpg Ltd	Oil, Gas & Consumable Fuels	BWLPG	20/11/2014	3.0	-3%
Mitie Group Plc	Commercial Services & Supplies	MTO	17/11/2014	3.0	-3%
Telecom Plus Plc	Multi-Utilities	TEP	19/11/2014	2.7	-3%
Flughafen Wien Ag	Transportation Infrastructure	FLU	18/11/2014	2.6	85%
Thyssenkrupp Ag	Metals & Mining	TKA	20/11/2014	2.4	25%
Matas A/S	Specialty Retail	MATAS	18/11/2014	2.3	14%
Schoeller Bleckmann Oilfield Equipr	Energy Equipment & Services	SBO	19/11/2014	2.3	-10%
Mothercare Plc	Multiline Retail	MTC	20/11/2014	2.2	-47%

The company recently executed a rights offer with that received low demand from investors. The offer was fully underwritten by Dutch banks Rabobank, ABN Amro and ING, who now own 47% of the firm.

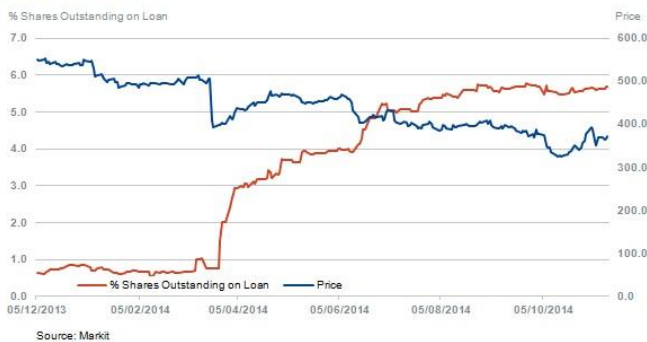
Second most shorted ahead of earnings is dry bulk carrier Golden Ocean, after controlling shareholder John Fredriksen proposed to merge the company with Knightsbridge Shipping in October. Continued short interest may indicate that a portion of the market thinks the deal may not materialise.

Majestic Wine Plc



Another interesting stock announcing earnings this week is Majestic Wine whose shares have fallen by 32% year to date and has 5.7% of shares outstanding on loan ahead of earnings. The based UK wine retailer reported marginally contracting sales in June after worse than expected sales in March caused by a surprise slowdown in post Christmas sales.

Majestic Wine Plc



Most shorted in Asia ahead of earnings is Micronics Japan with 8% of shares outstanding on loan. The company is involved in the design and manufacture of probe cards that inspect semiconductors and LCD displays. The share price is flat year to date but is trading at five year highs.

Micronics Japan Co Ltd



Second most shorted in Asia is Hitron Technologies with 7.1% of shares outstanding on loan, a number that has increased at a steady pace throughout the year. The firm manufactures communication and telecommunication equipment.

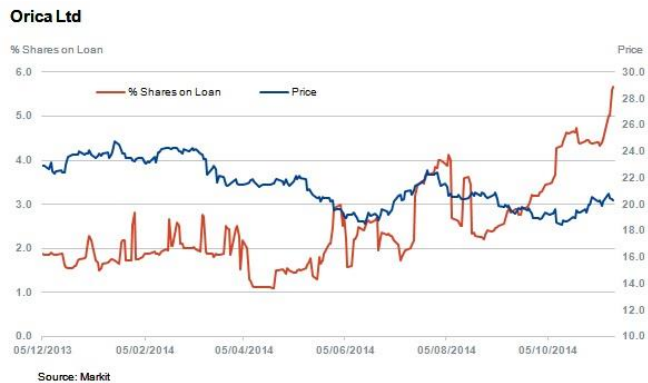
Hitron Technologies Inc



Asia

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Micronics Japan Co Ltd	Semiconductors & Semiconductor Equipmen	6871	18/11/2014	8.1	-2%
Hitron Technologies Inc	Communications Equipment	2419	20/11/2014	7.1	19%
Gome Electrical Appliances Holding	Specialty Retail	493	17/11/2014	6.3	0%
China Petrochemical Development C	Chemicals	1314	20/11/2014	6.2	0%
Orica Ltd	Chemicals	ORI	19/11/2014	5.7	23%
Elders Ltd	Food Products	ELD	17/11/2014	5.2	42%
Ritek Corp	Technology Hardware, Storage & Peripherals	2349	20/11/2014	5.1	2%
Kumho Petro Chemical Co Ltd	Chemicals	011780	20/11/2014	4.5	-1%
Perseus Mining Ltd	Metals & Mining	PRU	20/11/2014	4.3	5%
Xero Ltd	Software	XRO	20/11/2014	4.1	92%
Sa Sa International Holdings Ltd	Specialty Retail	178	18/11/2014	3.6	1%
Wumart Stores Inc	Food & Staples Retailing	1025	17/11/2014	3.2	17%
Wei Chuan Foods Corp	Food Products	1201	20/11/2014	3.1	-11%
Sung Kwang Bend Co Ltd	Building Products	014620	20/11/2014	2.7	10%
Pharmicell Co Ltd	Biotechnology	005690	19/11/2014	2.7	0%
Formosa Laboratories Inc	Pharmaceuticals	4746	20/11/2014	2.7	8%
Louis Xiii Holdings Ltd	Construction & Engineering	577	20/11/2014	2.6	-1%
Howarm United Industries Co Ltd	Real Estate Management & Development	5505	20/11/2014	2.6	41%
Yangzijiang Shipbuilding Holdings L	Machinery	BS6	20/11/2014	2.6	-16%

Diversified speciality industrial chemicals producer Orica has 5.6% of shares outstanding on loan. The group's revenue is mainly derived from sales into the mining industry. With depressed energy and commodities prices crimping capital investment in that space, short interest may indicate a difficult period ahead.



Elders Ltd with a total of 5.2% of shares outstanding on loan is up 104% year to date. The company is predominantly exposed to the agricultural industry and went through a restructuring in 2013.

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