

Most shorted ahead of earnings

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

- Over two thirds of timeshare and property group Interval Leisure’s shares are short sold
- Stroeer is the most shorted as activist campaign continues ahead of earnings
- Japanese tech giants see short sellers cover as Nikon’s dividend expected to be cut

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Interval Leisure Group Inc	Hotels, Resorts & Cruise Lines	IILG	05/09/2016	37.6	35%
Lumber Liquidators Holdings Inc	Home Improvement Retail	LL	05/10/2016	33.5	-1%
Encore Capital Group Inc	Consumer Finance	ECPG	05/10/2016	33.1	-1%
Badger Daylighting Ltd	Construction & Engineering	BAD	05/13/2016	30.2	8%
Quebecor Inc	Cable & Satellite	QBR.B	05/12/2016	30.1	0%
Boardwalk Real Estate Investment Unit	Residential REITs	BEI.UN	05/12/2016	26.4	14%
Concordia Healthcare Corp	Pharmaceuticals	CXR	05/13/2016	23.4	63%
Applied Optoelectronics Inc	Communications Equipment	AAOI	05/09/2016	23.2	84%
Dean Foods Co	Packaged Foods & Meats	DF	05/10/2016	21.3	-2%
Ebix Inc	Application Software	EBIX	05/09/2016	20.9	2%
Silver Standard Resources Inc	Silver	SSO	05/11/2016	19.3	10%
Northern Oil And Gas Inc	Oil & Gas Exploration & Production	NOG	05/09/2016	19.1	-20%
Solarcity Corp	Electrical Components & Equipment	SCTY	05/09/2016	19.0	-6%
Lendingclub Corp	Consumer Finance	LC	05/09/2016	18.6	11%
Pra Group Inc	Consumer Finance	PRAA	05/09/2016	18.5	2%
Albany Molecular Research Inc	Life Sciences Tools & Services	AMRI	05/10/2016	18.4	10%
Celldex Therapeutics Inc	Biotechnology	CLDX	05/11/2016	18.3	-12%
J C Penney Company Inc	Department Stores	JCP	05/13/2016	18.2	36%
William Lyon Homes	Homebuilding	WLH	05/09/2016	17.9	-16%
Zeltiq Aesthetics Inc	Health Care Equipment	ZLTQ	05/10/2016	17.8	-5%

Most shorted ahead of earnings this week in North America is Interval Leisure Group with 38% of its shares currently outstanding on loan. Seeing a significant spike in short interest and the cost to borrow surge in recent weeks, short sellers have been attracted to the non-traditional property and timeshare manager since late 2015. Shares have plummeted by over 43% in the last 12 months.

Interval Leisure Group Inc



Featuring again among the most shorted stocks in North America is Lumber Liquidators with over a third of its shares

outstanding on loan. While shares have recovered from all-time lows, recent gains have been lost with the stock remaining heavily short sold.

Lumber Liquidators Holdings Inc



Short sellers have ceased covering of positions in specialist consumer debt recovery firm, Encore Capital Group. A 60% surge in the firm’s shares since the end of January seems to have now lost momentum but despite the recent covering, a third of the company’s shares remain short sold.

Encore Capital Group Inc



Badger Daylighting Ltd



Shorts have continued to target Badger Daylighting since making an **appearance** in the most shorted last March. Shares outstanding on loan have increased by threefold since then; reaching 30% currently and shares have fallen by a quarter in the last 12 months.

Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Stroeer Se & Co Kga	Advertising	SAX	05/12/2016	14.5	-2%
Melia Hotels International Sa	Hotels, Resorts & Cruise Lines	MEL	05/10/2016	14.4	-9%
Prosafe Se	Oil & Gas Equipment & Services	PRS	05/12/2016	13.4	30%
K&S Ag	Fertilizers & Agricultural Chemicals	SDF	05/11/2016	13.2	4%
Distribuidora Internacional De Alimentacion	Hypermarkets & Super Centers	DIA	05/12/2016	11.7	15%
Astaldi Spa	Construction & Engineering	AST	05/10/2016	11.7	-22%
Tag Immobilien Ag	Real Estate Development	TEG	05/10/2016	10.5	-1%
Ablynx Nv	Biotechnology	ABLX	05/12/2016	9.8	3%
Telecom Italia Spa	Integrated Telecommunication Services	TIT	05/13/2016	9.5	-13%
Tecnicas Reunidas Sa	Oil & Gas Equipment & Services	TRE	05/13/2016	9.0	-20%
Indra Sistemas Sa	IT Consulting & Other Services	IDR	05/09/2016	8.0	-18%
Qsc Ag	Alternative Carriers	QSC	05/09/2016	8.0	-14%
Cancom Se	IT Consulting & Other Services	COK	05/12/2016	7.4	12%
Lundin Petroleum Ab	Oil & Gas Exploration & Production	LUPE	05/11/2016	7.3	-17%
Bouygues Sa	Construction & Engineering	EN	05/13/2016	7.1	188%
Banca Carige Spa Cassa Di Risparmio Di	Diversified Banks	CRG	05/10/2016	7.0	-9%
Metro Ag	Hypermarkets & Super Centers	MEO	05/11/2016	6.9	-12%
Rizzoli Corriere Della Sera Mediagroup Spa	Publishing	RCS	05/11/2016	6.9	35%
Talktalk Telecom Group Plc	Alternative Carriers	TALK	05/12/2016	6.7	-17%
Zalando Se	Internet Retail	ZAL	05/12/2016	6.4	12%

Most shorted ahead of earnings in Europe is Stroeer with 14.5% of shares outstanding on loan. Shares in the company plummeted by 18% on a single day in April 2016 after activist short seller Muddy Waters published a report outlining their campaign against the firm. Since then short interest and the company's shares have remained stagnant, with the company releasing a press release highlighting that Stroeer's business outlook is in fact **"excellent"**.

Stroeer Se & Co Kga



Second most shorted in Europe is Melia Hotels International with 14.4% of shares outstanding on loan. Short sellers have tracked Melia's rallying share price since January but accelerated their build up in positions towards the end of March with short interest levels surging by a third.

Melia Hotels International Sa



Oslo listed owner/operator of semi-submersible accommodation vessels used in offshore energy operations Prosafe, is the third most shorted company ahead of earnings this week in Europe. Shares of the firm have tumbled in the past 12 months falling almost 90% with short interest climbing fivefold to 13.4%.

Prosafe Se

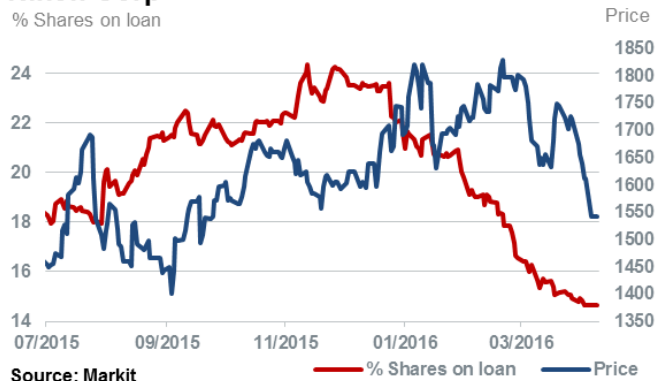


Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Nikon Corp	Consumer Electronics	7731	05/13/2016	14.6	-6%
Casio Computer Co Ltd	Consumer Electronics	6952	05/11/2016	14.3	-1%
Pacific Metals Co Ltd	Diversified Metals & Mining	5541	05/10/2016	13.5	-5%
Marvelous Inc	Home Entertainment Software	7844	05/12/2016	13.4	5%
Sanrio Co Ltd	Specialty Stores	8136	05/13/2016	13.0	3%
Edion Corp	Computer & Electronics Retail	2730	05/10/2016	12.9	-1%
Toshiba Corp	Industrial Conglomerates	6502	05/13/2016	12.9	-7%
Japan Airport Terminal Co Ltd	Airport Services	9706	05/11/2016	11.7	10%
Sharp Corp	Consumer Electronics	6753	05/12/2016	11.5	-8%
Onica Ltd	Commodity Chemicals	ORI	05/09/2016	11.2	-7%
Klab Inc	Application Software	3656	05/10/2016	11.0	-31%
Ffn Inc	Systems Software	3692	05/13/2016	10.8	6%
Nippon Ceramic Co Ltd	Electronic Components	6929	05/13/2016	10.7	2%
Jig-Saw Inc	Internet Software & Services	3914	05/13/2016	10.3	5%
Noble Group Ltd	Trading Companies & Distributors	N21	05/12/2016	10.2	-18%
Tokuyama Corp	Specialty Chemicals	4043	05/12/2016	9.8	-10%
Australian Agricultural Company Ltd	Packaged Foods & Meats	AAC	05/13/2016	9.6	46%
Mitsumi Electric Co Ltd	Electronic Components	6767	05/10/2016	9.1	-30%
Sho-Bond Holdings Co Ltd	Construction & Engineering	1414	05/10/2016	8.8	9%
Yamada Denki Co Ltd	Computer & Electronics Retail	9831	05/09/2016	8.8	-1%

Most shorted ahead of earnings in Apac is Japanese consumer electronics giant Nikon, with 14.6% of its shares outstanding on loan. Shares have fallen by 5% year to date while short sellers have covered almost 40% of positions.

Nikon Corp



Markit Dividend forecasting currently expects a 63.6% cut in the upcoming dividend for Nikon (as guided) which would cut the FY16 full year dividend in half. This is after the

company guided for a maintained dividend last year but subsequently earnings slumped as a result of poor operating results and impairment losses.

Casio Computer Co Ltd



Joining Nikon is iconic electronics manufacturer Casio with 14.2% of its shares outstanding on loan. Short interest spiked in February, reaching 19% of shares outstanding on loan however in a similar trend to Nikon, after seeing **resurgent short** interest in 2015 short sellers have covered large proportions of their positions with Casio shares falling 30% year to date.

Pacific Metals Co Ltd



Lastly featuring as the most shorted in Apac in **November 2015** and taking third place ahead of earnings in Apac this week is Pacific Metals with 13.5% of shares outstanding on loan. On a 12 month basis, short interest has risen over 50% with the stock price moving sideways in the nickel and stainless steel producer.

To receive more information on **Securities Finance, Research Signals, Exchange Traded Products, Dividend Forecasting** or our Short Squeeze model please **contact us**

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