

Most shorted ahead of earnings

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

- Short sellers target Star Wars toymaker Jacks Pacific ahead of earnings
- Southwestern Energy second most shorted ahead of earnings, at risk of squeezing
- Lower dividends expected at ASM Pacific Technology and Keppel

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Jakks Pacific Inc	Leisure Products	JAKK	04/19/2016	27.6	12%
Southwestern Energy Co	Oil & Gas Exploration & Production	SWN	04/21/2016	26.7	9%
Adeptus Health Inc	Health Care Services	ADPT	04/20/2016	26.4	15%
Basic Energy Services Inc	Oil & Gas Equipment & Services	BAS	04/20/2016	21.2	13%
Cole Laboratories NV	Oil & Gas Equipment & Services	CLB	04/20/2016	20.2	-4%
Proofpoint Inc	Systems Software	PFPT	04/21/2016	17.2	-14%
World Acceptance Corp	Consumer Finance	WRLD	04/21/2016	17.1	4%
Gatx Corp	Trading Companies & Distributors	GMT	04/21/2016	16.6	-1%
Under Armour Inc	Apparel, Accessories & Luxury Goods	UA	04/21/2016	15.9	6%
Westmoreland Coal Co	Coal & Consumable Fuels	WLB	04/22/2016	15.8	-29%
Cullen/Frost Bankers Inc	Regional Banks	CFR	04/20/2016	15.7	-1%
Flotek Industries Inc	Specialty Chemicals	FTK	04/20/2016	15.6	10%
People's United Financial Inc	Regional Banks	PBCT	04/21/2016	15.6	-5%
W W Grainger Inc	Trading Companies & Distributors	GWV	04/19/2016	15.6	-1%
Gulfmark Offshore Inc	Oil & Gas Equipment & Services	GLF	04/18/2016	15.5	3%
Unisys Corp	IT Consulting & Other Services	UIS	04/21/2016	15.3	9%
Seacor Holdings Inc	Oil & Gas Equipment & Services	CKH	04/21/2016	15.0	-6%
Harley-Davidson Inc	Motorcycle Manufacturers	HOG	04/19/2016	14.9	0%
Brimker International Inc	Restaurants	EAT	04/19/2016	14.5	12%
Aerojet Rocketdyne Holdings Inc	Aerospace & Defense	AJRD	04/21/2016	14.3	-1%

Jakks Pacific the maker of toys including 'life' size **Star Wars** figurines is most shorted ahead of earnings in North America this week. Short sellers have increased positions in the stock by more than a third so far this year with 27.6% of shares currently outstanding on loan. Shares have declined by fifth after peaking in September 2015, ahead of the latest instalment in the Star Wars Franchise which was released in December 2015.

Jakks Pacific Inc



Southwestern Energy, the third **largest** producer of natural gas in the US, has seen short sellers once again increase positions,

rising by 18% after covering seen in 2016. This is despite an impressive recent rally in shares, spiking 48% in April off a low base after tumbled by more than two thirds over the last 12 months. The stock is currently ranked in the top percentile of firms at risk of experiencing a short squeeze as identified by **Research Signals' Short Squeeze** model.

Southwestern Energy Co



Servicing shale oil companies in North America, Basic Energy Services shares have fallen 70% in the past 12 months with a fifth of shares currently outstanding on loan.

Basic Energy Services Inc



Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Tgs Nopec Geophysical Company Asa	Oil & Gas Equipment & Services	TGS	04/21/2016	17.0	-10%
Norwegian Air Shuttle Asa	Airlines	NAS	04/21/2016	12.9	-1%
Metso Oyj	Industrial Machinery	MEO1V	04/22/2016	12.5	-8%
Nordic Semiconductor Asa	Semiconductors	NOD	04/19/2016	10.4	-5%
Kone Oyj	Industrial Machinery	KNEBV	04/21/2016	9.6	-7%
Zodiac Aerospace Sa	Aerospace & Defense	ZC	04/20/2016	8.9	12%
Modern Times Group Mtg Ab	Broadcasting	MTG B	04/20/2016	6.2	12%
Ssab Ab	Steel	SSAB A	04/22/2016	6.0	-9%
Temenos Group Ag	Application Software	TEMN	04/19/2016	4.9	-5%
New Wave Group Ab	Apparel, Accessories & Luxury Goods	NEWA E	04/21/2016	4.7	-12%

Most shorted ahead of earnings in Europe is Tgs Nopec Geophysical with 17% of its shares outstanding on loan. Servicing oil exploration companies, Tgs was among the **most shorted firms** coming into 2016. However, short sellers have covered 15% of positions since the middle of February as markets and oil prices stage a rally.

Tgs Nopec Geophysical Company Asa



Scandinavian budget airline Norwegian Air Shuttle continues to attract short sellers despite shares jumping 44% since the end of January 2016. Shorts have only covered 10% of positions with 12.9% of shares outstanding on loan currently.

Norwegian Air Shuttle Asa



Third most shorted in Europe is Finnish based Metso who offers services and equipment into the mining, aggregates and oil and gas industries.

Metso Oyj



Short interest in Metso has more than doubled in the past 12 months, while shares are down by 15%.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Hotel Shilla Co Ltd	Specialty Stores	008770	04/22/2016	15.8	17%
Artspark Holdings Inc	Application Software	3663	04/22/2016	12.0	0%
Yaskawa Electric Corp	Electronic Components	6506	04/20/2016	8.3	-3%
Dosan Infracore Co Ltd	Industrial Machinery	042670	04/21/2016	6.9	24%
Medipost Co Ltd	Health Care Services	078160	04/18/2016	5.7	50%
Kolon Life Science Inc	Pharmaceuticals	102940	04/19/2016	5.4	70%
Cyberagent Inc	Advertising	4751	04/21/2016	5.2	28%
Asm Pacific Technology Ltd	Semiconductor Equipment	522	04/21/2016	4.7	-22%
Keppel Corporation Ltd	Industrial Conglomerates	BN4	04/18/2016	4.1	-10%
Genius Electronic Optical Co Ltd	Electronic Components	3406	04/20/2016	3.8	-10%

Most shorted ahead of earnings in Apac for a **consecutive** quarter is Hotel Shilla with 15.8% of shares outstanding on loan. The Korean operator of hotels and duty free shops has been battling a decline in tourism impacting revenues, specifically emanating from China.

Hotel Shilla Co Ltd



Keppel Corporation Ltd



Short sellers have tracked shares in Artspark holdings over the last 12 months, rising to 12% of shares outstanding on loan. Shares are 38% down from highs seen earlier in the year but including this sudden drop are still up 71% in the past 12 months.

A 16.7% lower dividend is expected at Keppel Corp mainly due to abandoned and delayed offshore oil-rig orders as crude oil prices remain at multi year lows.

Artspark Holdings Inc



ASM Pacific Technology Ltd



Also making it into the top ten most shorted stocks ahead of earnings in Apac is ASM Pacific Technology and Kepple with 4.7% and 4.1% of shares outstanding on loan respectively.

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Markit [Dividend Forecasting](#) is expecting a reduction in dividends at both firms. At ASM Pacific Technology, a 23% reduction is expected largely attributable to the weak economic growth.

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