

Most shorted ahead of earnings

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

- Agricultural irrigation provider Lindsay and Winnebago is most short sold in North America
- Costly incorrect meter readings see Telecom Plus the most shorted in Europe
- China Huishan Dairy and bicycle retailer Asai Co sees highest short interest in Apac

North America

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Lindsay Corp	Agricultural & Farm Machinery	LNN	25/06/2015	29.9	3%
Winnebago Industries Inc	Automobile Manufacturers	WGO	25/06/2015	22.3	-1%
Agf Management Ltd	Asset Management & Custody Banks	AGF B	24/06/2015	11.9	12%
Bed Bath And Beyond Ord	Homefurnishing Retail	BBBY	24/06/2015	9.6	-2%
Blackberry Ord	Technology Hardware, Storage & Peripherals	BB	23/06/2015	9.3	0%
Barnes & Noble Inc	Specialty Stores	BKS	25/06/2015	8.1	10%
Lennar CI A Ord	Homebuilding	LEN	24/06/2015	8.1	-14%
Campus Crest Communities Inc	Residential REITs	CCG	26/06/2015	7.3	-3%
Shaw Communications Inc	Cable & Satellite	SJR B	25/06/2015	7.1	-4%
Exfo Inc	Communications Equipment	EXF	23/06/2015	6.9	-1%

Most shorted ahead of earnings this week in North America is agricultural irrigation and infrastructure firm Lindsay. Shares out on loan have increased by 22% in the last three months to reach 30% currently. The company reported softer sales and earnings earlier in the year with US irrigation revenues down by 27%. The company's main revenue driver is net farm income which has been on the **decline** since 2013.

Lindsay Corp



Shares out on loan have increased to 22% for Winnebago Industries, peaking at 23.8% in April after increasing fourfold over the year while the stock price has declined by a quarter. The iconic recreational vehicle maker **reported** an unexpected drop in earnings

earlier in the year due to labour issues and higher expenses offsetting shipment growth.

Winnebago Industries Inc



Toronto based independent investment management firm Agf management has seen a 14% rise in short interest over the last month as shares outstanding on loan have increased to 12%. Shares in the stock are down 10% over the last month however and have slumped some 50% in the last 12 months. Revenues and earnings have declined for the firm for the last four consecutive years culminating in the company **cutting its dividend** in December 2014.

Agf Management Ltd



Shares in troubled handset maker Blackberry have declined sharply by 14% in the past month while short interest remains high at 9.2% of shares outstanding on loan. The company has managed to post positive earnings for the last two consecutive quarters however consensus forecasts point to a loss for the quarter ending May 2015.

Blackberry Ltd



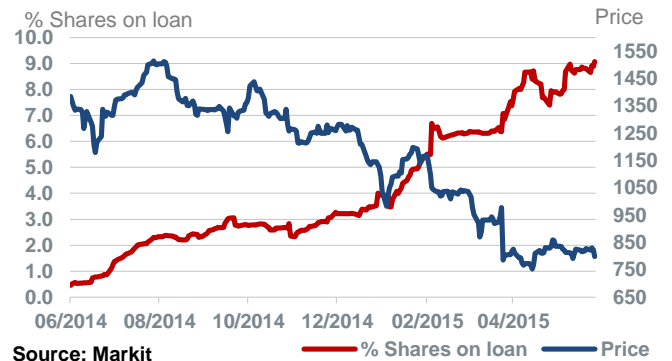
Western Europe

Telecom Plus, trading as **Utility Warehouse**, provides communication and energy services and is the most shorted firm in Europe ahead of earnings.

In April 2015 shares slid almost 15% when the company **revealed that** calculation errors in gas leakage figures would result in a £11m charge to earnings. Subsequently short sellers have increased their positions to all-time highs in the company with 9.1% of shares outstanding on loan currently.

While shares in Telecom have continued to decline since early 2014, the stock is down 40% over the last 12 months.

Telecom Plus Plc



Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
China Huishan Dairy Holdings Company Ltd	Packaged Foods & Meats	6863	23/06/2015	6.8	11%
Asahi Co Ltd	Specialty Stores	3333	23/06/2015	5.3	-20%
Sa Sa International Holdings Ltd	Specialty Stores	178	26/06/2015	4.2	3%
Zuiko Corp	Industrial Machinery	6279	26/06/2015	3.4	-27%
Luk Fook Holdings International Ltd	Specialty Stores	590	26/06/2015	3.3	16%
Pharmicell Co Ltd	Biotechnology	005690	23/06/2015	2.6	0%
Goldin Properties Holdings Ltd	Diversified Real Estate Activities	283	25/06/2015	2.5	292%
Alibaba Health Information Technology Ltd	Integrated Telecommunication Services	241	26/06/2015	2.2	1925%
China South City Holdings Ltd	Real Estate Development	1668	25/06/2015	1.6	-17%
Ilyang Pharmaceutical Co Ltd	Pharmaceuticals	007570	23/06/2015	1.6	36%

Most shorted ahead of earnings in Apac is China Huishan Dairy, one of China's biggest dairy producers. Shares out on loan have declined from 10% to 6.8% currently as the share price, while down by 7% over the last 12 months, has made a 37% recovery in the last six months.

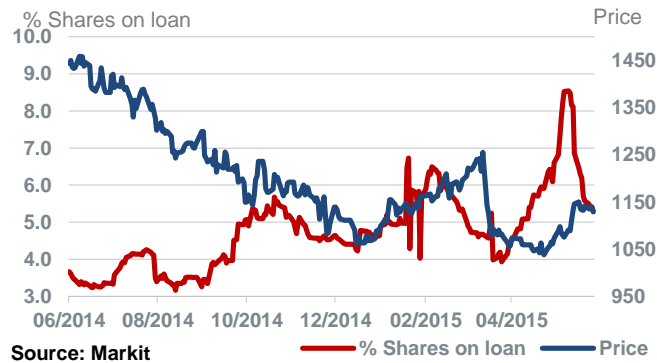
China Huishan Dairy Holdings Company Ltd



Japanese bicycle retailer Asahi is the second most shorted stock in the region ahead of earnings. In the beginning of June 2015,

shares out loan spiked up to 8.5% before declining to 5.3% at present.

Asahi Co Ltd



Source: Markit

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