

Most shorted ahead of earnings

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

- Abercrombie & Fitch continues to decline as short interest builds ahead of earnings
- Short sellers still positioned against Gamestop as business continues to surprise
- Australian firms among the most shorted in Apac ahead of earnings

North America

Rank	Company	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
1	Tidewater Inc	Oil & Gas Equipment & Services	TIDW	26/05/2015	42.9	-11%
2	Gamestop Corp	Computer & Electronics Retail	GMET	26/05/2015	38.1	-5%
3	Sanderson Farms Inc	Packaged Foods & Meats	SAFM	26/05/2015	30.5	-17%
4	Abercrombie & Fitch Co	Apparel Retail	ANF	26/05/2015	19.8	-6%
5	Trans Markway Inc	Trading Companies & Distributors	TITN	26/05/2015	16.7	-7%
6	Jabil Circuit Inc	Semiconductors	JCS	26/05/2015	13.4	-17%
7	Essex Co	Industrial Machinery	XONE	26/05/2015	12.1	-1%
8	Big Lots Inc	General Merchandise Stores	BIG	26/05/2015	11.6	0%
9	NetScout Systems Inc	Technology Hardware, Storage & Peripherals	NBS	26/05/2015	8.8	-11%
10	Energy	Electrical Components & Equipment	ENS	27/05/2015	8.3	-1%
11	National Bank Of Canada	Diversified Banks	NA	27/05/2015	8.3	-5%
12	Veeva Systems Inc	Health Care Technology	VEEV	28/05/2015	8.8	-1%
13	Campana Credit Communities Inc	Residential REITs	CCO	28/05/2015	7.7	-15%
14	Encompass Inc	Consumer Finance	ENPH	28/05/2015	7.8	-22%
15	Splunk Inc	Application Software	SPLK	28/05/2015	6.9	-12%
16	Deckers Outdoor Corp	Footwear	DECK	28/05/2015	6.9	-9%
17	Canadian Imperial Bank Of Commerce	Diversified Banks	CIB	28/05/2015	6.4	-19%
18	Ray Gaming Group Ltd	Casino & Gaming	RYG	28/05/2015	6.4	79%
19	Bank Of Montreal	Diversified Banks	BMO	27/05/2015	6.3	28%
20	Deciphera Systems Group Inc	Application Software	DSG	28/05/2015	6.1	0%

Already down by 50% in the last 12 months, the most short sold this week ahead of earnings in North America is Tidewater. With 43% of shares outstanding on loan, the firm provides offshore vessels to the global energy industry.

Tidewater Inc



Shares have rallied in recent weeks along with the oil price recovery which has seen short sellers cover some of their positions from the April highs. Demand to short however remains strong, with the cost to borrow nearly tripling in the last month.

Abercrombie & Fitch Co



After being the most shorted ahead of earnings in November 2014, short sellers continue to position themselves in “ageing” Abercrombie & Fitch. The stock has declined a **further** 28%, with shares outstanding on loan currently at 19% ahead of earnings.

Gamestop Corp



Short sellers’ commitment has been tested as Gamestop shares have continued to climb. The retailer’s stock is up 7% in the last three

Markit Equities Research

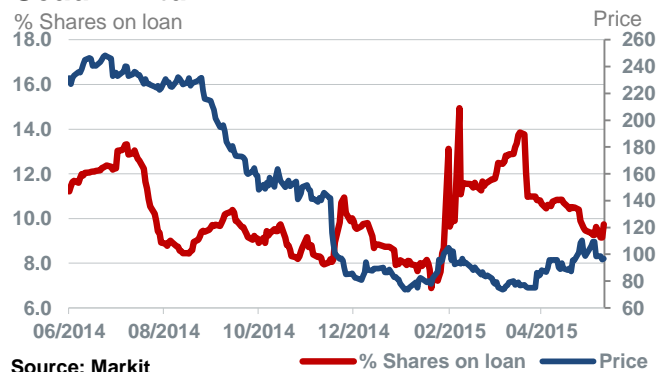
months yet **remains** one of the most shorted companies in North America despite some recent covering. The number of GAME shares outstanding on loan has decreased by 11% in the last three months, but still remains highly elevated with the current borrow representing 38% of shares outstanding.

Western Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Seadrill Ltd	Oil & Gas Drilling	SDRL	28/05/2015	9.7	-10%
Conseil Immobilien Invest SE	Real Estate Development	CWI	27/05/2015	7.8	-24%
Seltec SE	Semiconductors	SOI	28/05/2015	4.8	-7%
Helical Bar Plc	Real Estate Development	HLDL	28/05/2015	3.6	-9%
Gesellschaft für Elektronik & Automatisierung	Electronic Equipment & Instruments	GEA	28/05/2015	3.5	0%
Tate & Lyle Plc	Packaged Foods & Meats	TATE	28/05/2015	2.3	8%
Sungeo Offshore SE	Oil & Gas Drilling	SONG	28/05/2015	1.8	1%
Rothberger Exploration Plc	Oil & Gas Exploration & Production	RBN	28/05/2015	1.3	-20%

Short interest remains high in Seadrill at 9.7% of shares outstanding on loan. The offshore drilling contractor has seen shares fall by 55% since oil prices started to collapse in June 2014.

Seadrill Ltd



London based property investment and development group Helical Bar has seen a rise in short interest over the last nine months, increasing to 3.6%. In February, the firm stated that since April 2014 a total of £194m worth of investments have been sold as part of rotation out of shopping centres into logistical facilities. Shares have reacted well to recent moves with the stock up 20%, but despite this the firm has attracted increased levels of short interest.

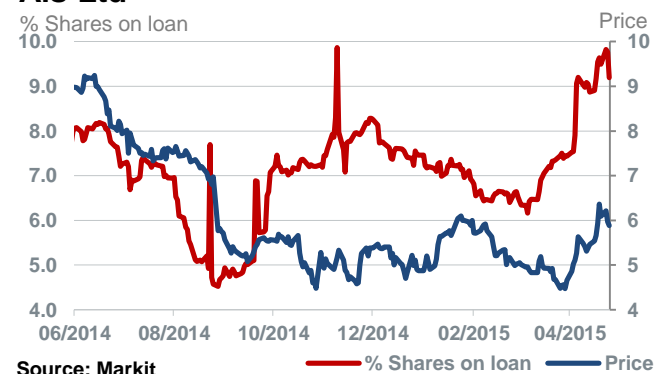
Asia Pacific

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Als Ltd	Research & Consulting Services	ALG	28/05/2015	5.2	23%
Ozforex Group Ltd	Specialist Finance	OFX	28/05/2015	5.4	-9%
Accient Co Ltd	Internet Software & Services	4813	28/05/2015	4.7	-4%
SE Korea Co Ltd	Electronic Equipment & Instruments	36039	28/05/2015	3.1	-2%
Resonance International Group Ltd	Health Care Equipment	809	27/05/2015	1.9	-19%
Redragon Websoft Inc	Home Entertainment Software	777	27/05/2015	1.5	23%
Phoeb Co Ltd	Environmental & Facilities Services	4666	28/05/2015	1.6	-8%

Australian based ALS provides testing services to mineral, life sciences and energy and industrial segments. The firm has seen a 23% spike in shares outstanding on loan. The company's stock is down by a third over the last year with approximately 50% of its sales exposed derived from minerals and energy operations.

Tough trading conditions in these sectors have been behind ALS's recent dividend cut with the firm trimming its final dividend payment by 40% from last year's level.

Als Ltd



Australian foreign exchange service provider Ozforex, has seen shares outstanding on loan increase to 5.5%.

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