

Most shorted ahead of earnings

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

- Significant short interest remains in Ambarella despite falling over 50% since July
- Shorts cover in Zoopla as **Markit Dividend Forecasting** expects tripled dividend
- 25% of Australia's Metcash shares out on loan as commodities slump impacts economy

North America

Name	Industry	Ticker	Value on loan (\$m)	% Shares Outstanding On Loan	1 Month % Change
Ambarella Inc	Semiconductors	AMBA	04/12/2015	26.8	-10%
Canadian Western Bank	Regional Banks	CWB	04/12/2015	26.1	-5%
Rex American Resources Corp	Apparel, Accessories & Luxury Good	REX	05/12/2015	19.4	-10%
Lands End Inc	Oil & Gas Refining & Marketing	LE	03/12/2015	17.8	2%
Five Below Inc	Internet Retail	FIVE	04/12/2015	17.0	-10%
American Eagle Outfitters Inc	Specialty Stores	AEO	04/12/2015	17.0	3%
Zumiez Inc	Apparel Retail	ZUMZ	03/12/2015	16.9	9%
Hovnanian Enterprises Inc	Apparel Retail	HOV	04/12/2015	15.6	-10%
Big Lots Inc	Homebuilding	BIG	05/12/2015	13.7	-14%
National Bank Of Canada	General Merchandise Stores	NA	05/12/2015	12.1	-6%

Most shorted ahead of earnings this week in North America is niche video chip maker Ambarella, with 26.9% of shares outstanding on loan. A major target of **short sellers** since the middle of 2015, as highlighted by activist short **Citron Research**, shorts sellers have covered positions slightly after interest peaked in early November.

Ambarella Inc



Short interest almost reached a third of shares outstanding on loan but has declined to 26.8% currently. Ambarella is a significant component supplier to recently IPO'd **GoPro**, whose shares have come under increasing pressure since missing third quarter earnings. Shares in Ambarella have fallen by 53% since

August, slightly less than GoPro's stock which has plummeted 69% over the same period.

GoPro Inc



Short sellers look to be targeting both firms in tandem – with GoPro's short interest also peaking in early November 2015 before decreasing to 12.1%.

Canadian Western Bank



Canadian Western Bank has 26.1% of shares outstanding on loan and is one of short sellers' targets in the **Canadian property market**. The company has a significant

portion of loans exposed to commercial mortgages, real estate projects and personal loans. The Canadian property market, buoyed by low interest rates and strong global demand, has surged. Lower energy prices however have begun to weigh on the country's economy; attracting short sellers.

Rex American Resources Corp



Third most shorted in North America is Rex American Resources with 19.4% of shares outstanding on loan. Shares in the alternative energy producer have rallied by a third since late August which has seen short sellers cover positions by 30%.

Europe

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Elektá Publ Ab	Health Care Equipment	EKTA B	05/12/2015	11.7	-10%
Aberdeen Asset Management Plc	Asset Management & Custody Banks	ADN	01/12/2015	6.9	-2%
Hoegh Lng Holdings Ltd	Oil & Gas Storage & Transportation	HLNG	01/12/2015	2.4	4%
Consort Medical Plc	Health Care Equipment	CSRT	05/12/2015	2.0	-5%
Zoopla Property Group Plc	Internet Software & Services	ZPLA	03/12/2015	1.7	-44%

Most shorted ahead of earnings in Europe is cancer care firm Elektá with 11.7% of shares outstanding on loan. Short interest levels have declined by 50% in the last 12 months with the stock staging a recovery in the past three months, rising by 30% and seeing short sellers cover positions by the same amount.

Elektá Publ Ab



Short sellers have shed almost a quarter of positions in Aberdeen Asset Management, second most shorted ahead of earnings with 6.9% of shares outstanding on loan.

Although the fifth most shorted ahead of earnings in Europe, online property portal Zoopla has seen short sellers continue to flee, with shares outstanding on loan declining to 1.7%.

Zoopla Property Group Plc



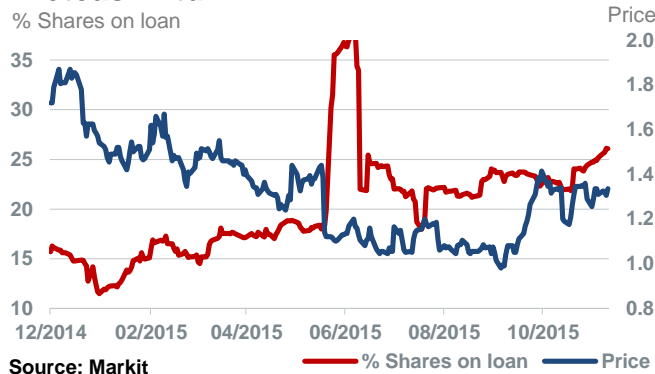
Markit Dividend Forecasting is expecting Zoopla to almost triple its final dividend to 3p, up from its maiden payment of 1.1p last year. On a full year basis Markit is forecasting a payout of 4p, representing a 37% payout ratio on consensus earnings, which is still at the lower end of the dividend policy to pay out between 35% - 45% of profits.

Apac

Name	Industry	Ticker	Earnings Date	% Shares Outstanding On Loan	1 Month % Change
Metcash Ltd	Food Distributors	MTS	01/12/2015	26.1	19%
Tfs Corporation Ltd	Forest Products	TFC	30/11/2015	6.6	45%
Akebono Brake Industry Co Ltd	Auto Parts & Equipment	7238	01/12/2015	6.0	-11%
Seegene Inc	Biotechnology	096530	30/11/2015	4.1	6%
China Ocean Resources Co Ltd	Packaged Foods & Meats	900050	30/11/2015	3.8	-4%
Ito En Ltd	Soft Drinks	2593	01/12/2015	3.7	-10%
Game Electrical Appliances Holding Lt	Computer & Electronics Retail	493	30/11/2015	3.7	-18%
Kolao Holdings	Automotive Retail	900140	30/11/2015	2.5	-15%
Access Co Ltd	Internet Software & Services	4813	30/11/2015	2.6	5%
Igg Inc	Home Entertainment Software	799	01/12/2015	2.0	-4%

Most shorted in Apac is Australian food wholesaler and distributor Metcash with 26.1% of shares outstanding on loan.

Metcash Ltd



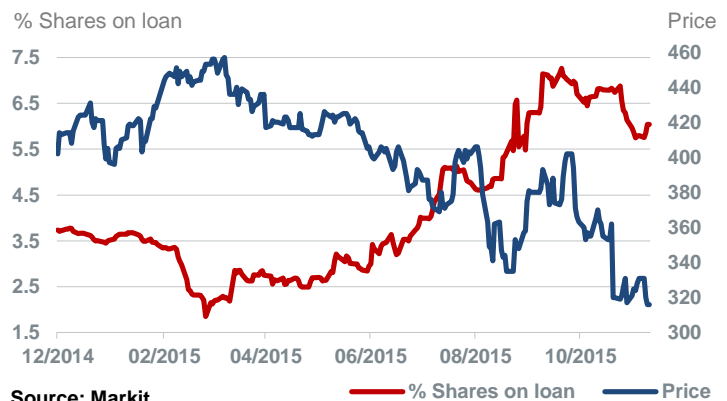
The stock has fallen by a quarter over the last 12 months as the resource based economy continues to struggle as weak demand out of China and increased supply locally continues to hurt commodity prices.

Tfs Corporation Ltd



Second most shorted ahead of earnings is TFS Corporation with 5.5% of shares outstanding on loan. Based in Australia, the company is the largest Indian sandalwood producer in the world.

Akebono Brake Industry Co Ltd



Third most shorted ahead of earnings is Japanese Akebono Brake Industry with 6% of shares outstanding on loan. Shares fell 14% in November after the company released a news release of **accounting issues** at its American operations.

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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