

European Short Observer

December 2016

This report explores insights from the European Short Disclosure Regulation (ESMA). From the daily filings, we've tracked over thirty billion euros in short investments across over two hundred managers. Here we present changes in sector exposures and track the best short picks from the previous month. Also ranked are the most shorted securities, the most covered ones, and the top new shorts of the month.

In December, the energy sector experienced the largest increase in aggregate shorted value. The best short of the month was **IG Group Holdings** with only one manager shorting 1.22% of the firm at the end of the month. Among the best shorts, **Fingerprint Cards** was the most crowded, shorted by nine managers who have decreased their short investments during the month.

The most shorted security by short interest was **Outotec**, with more than 70 million euros in additional capital invested during December and three new managers filing a position. **Nyrstar** was the most covered security, with three managers closing their positions and an aggregate decrease in shorted value of more than 17 million euros.

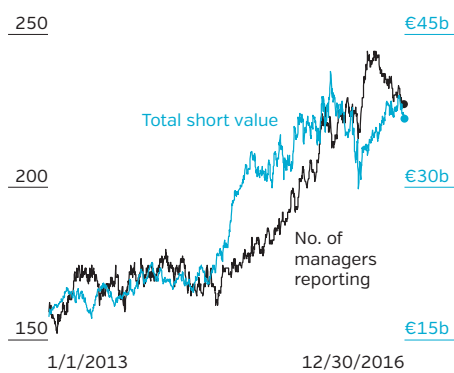
Below we display the top ten shorts by short interest and the top five new shorts of the month ranked by short interest. Among these, **Ocado Group** was the most shorted overall, and **Electrolux** was the most shorted among the new shorts with over 145 million euros shorted.

Top short interest in December

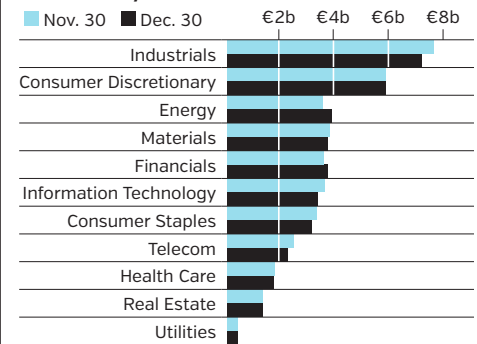
Name	Short interest	Δ Short Int.
Ocado Group	16.56%	0.15%
Outotec	15.86%	8.02%
Carillion	14.85%	-0.29%
WM Morrison Supermarkets	14.62%	-2.00%
K+S	14.53%	-0.84%
Intrum Justitia	13.96%	-0.07%
Tullow Oil	13.76%	-1.02%
Compagnie Generale De Geophysique Veritas	13.13%	-1.62%
Technip	11.69%	-0.64%
Wirecard	10.90%	1.94%

Top new shorts in December

Name	Short interest	Value
Electrolux	2.1%	€146.3m
Pekao	1.5%	€111.0m
Dream Global REIT	1.3%	€10.7m
Greene King	1.1%	€27.9m
Hogg Robinson Group	0.7%	€1.9m



Short value by sector



Best shorts in December

Name	Return	Value	#Mngrs short	Short interest	Nov. 30	Dec. 30
IG Group Holdings	-40.9%	€25.9m	1	0%	0%	1.22%
Plus500	-36.7%	€6.2m	1	0%	0%	0%
Fingerprint Cards	-22.2%	€192.9m	9	0%	9%	12%
Aixtron	-19.1%	€20.5m	6	0%	6%	6%
Metro Bank	-12.9%	€14.3m	1	0%	0%	0%
PostNL	-11.2%	€34.4m	1	0%	0%	0%
Playtech	-10.9%	€33.5m	1	0%	0%	0%
RIB Software	-10.7%	€17.4m	2	0%	0%	0%
Lonmin	-10.6%	€0.0m	0	0%	0%	0%
Nanoco Group	-9.6%	€4.4m	3	0%	0%	0%

Most sold short in December

Name	Δ Short Int.	Short Int.	Δ Value	Δ #Mngrs	#Mngrs	Return
Outotec	8.02%	15.86%	€72.9m	+3	6	N/A
SAS	3.45%	5.34%	€16.1m	+1	3	-2.3%
Banca Popolare di Milano	2.10%	7.08%	€44.5m	+1	4	22.5%
Electrolux	2.06%	2.06%	€146.3m	+3	3	7.7%
Tecnicas Reunidas	1.99%	2.70%	€45.0m	+1	2	14.6%
PKN Orlen	1.98%	2.67%	€170.5m	+2	3	12.7%
Wirecard	1.94%	10.90%	€84.6m	+2	10	-3.8%
PostNL	1.90%	1.90%	€34.4m	+1	1	-11.2%
SKF	1.80%	1.80%	€131.9m	+2	2	5.3%
Restaurant Group	1.64%	4.58%	€12.4m	+1	6	-4.1%
TP ICAP	1.61%	6.20%	€35.5m	+2	7	0.8%
SAF-HOLLAND	1.60%	1.60%	€9.9m	+2	2	6.7%
Greencore Group	1.56%	1.56%	€31.6m	+2	2	2.8%
Pekao	1.48%	1.48%	€111.0m	+2	2	7.5%
Halfords Group	1.42%	5.53%	€14.1m	+2	5	7.4%

Most covered in December

Name	Δ Short Int.	Short Int.	Δ Value	Δ #Mngrs	#Mngrs	Return
Nyrstar	-3.30%	2.61%	-€17.3m	-3	4	23.0%
Fingerprint Cards	-2.90%	9.28%	-€122.0m	-1	9	-22.2%
The Weir Group	-2.61%	2.58%	-€116.0m	0	3	8.2%
Amplifon	-2.45%	3.54%	-€50.1m	0	3	1.1%
BB Biotech	-2.28%	0.00%	-€63.8m	-1	0	0.2%
Vallourec	-2.21%	8.50%	-€4.9m	-3	10	36.0%
Victrex	-2.04%	5.35%	-€24.2m	0	4	12.0%
STMicroelectronics	-2.01%	0.50%	-€171.4m	-2	1	16.3%
WM Morrison Supermarkets	-2.00%	14.62%	-€71.5m	-2	10	4.2%
Edenred	-1.99%	3.20%	-€100.5m	-3	2	-5.5%
Fugro	-1.89%	4.12%	-€28.1m	-1	5	-4.3%
Aperam	-1.88%	5.02%	-€57.2m	-1	3	3.2%
Dialight	-1.84%	0.00%	-€4.8m	-2	0	11.5%
Astaldi	-1.81%	4.29%	-€2.6m	-2	5	28.0%
PagesJaunes Groupe	-1.77%	1.72%	-€2.1m	-1	2	-0.8%