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WEU SHORTING POST-BREXIT SERIES

FRANCE

OVERALL MARKETS

Overall Western Europe has seen 1,013 net short positions declared since 24th June 2016. Not surprisingly these have been led by the UK with 370 positions (36.5%), with Germany in second place with 154 positions and France in 3rd with 99 ahead of Italy (79) Sweden (68) Spain (56) and the Netherlands (47).

Just three markets have seen both a significant number of net short positions (NSPs) and an increase in NSPs since 24th June.

- ▶ Germany the Netherlands Finland Sweden and Denmark have all seen over 25 NSPs declared since the Brexit vote but 60% or more of these have been decreases not increases of the shorting position
- ▶ Italy and Spain have seen NSPs just increasing rather than decreasing (Spain increasing 48%, Italy 46%)
- ▶ This leaves France and the UK both seeing 52% of total NSPs increasing, behind Belgium (53% increase).

Macro Industry	Total NSPs		% NSPs Increasing		% of WEU NSPs in French Equities
	WEU	France	WEU	France	
Basic Materials	54	6	41%	100%	11.1%
Consumer Goods	51	6	49%	66%	11.8%
Consumer Services	87	29	45%	45%	33.3%
Energy	52	18	39%	56%	34.6%
Financials	101	0	53%	0%	0.0%
Healthcare	49	11	29%	27%	22.4%
Industrials	133	14	42%	43%	10.5%
Technology	102	15	40%	60%	14.7%
Utilities	6	0	33%	0%	0.0%
	635	99	43%	52%	15.6%

France has seen most shorting in Consumer Services and Energy and the highest rate of NSP increases against European average in Basic Materials, Consumer Goods, Energy and Technology.

MOST SHORTED STOCKS

Out of 99 French stocks shorted since 24th June,

- 6 are shorted over 3% in aggregate – but only one of the 5 has risen significantly since the Brexit vote
 - o Energy stock CGG top at 10.72%, shorting down from 11.26%
 - o Air France-KLM shorted 8.73%, down from 10.41%
 - o Basic Materials stock Vallourec shorted 8.04%, was already 7% shorted on 24th June
 - o Energy stock Technip shorted 4.69%, up from 3.65%
 - o Technology stock Neopost shorted 3.64%, up slightly
 - o Consumer Services stock Casino shorted 3.54%, up slightly.
 - A further 4 stocks are shorted over 2%: one Industrials (Maurel & Prom), up 0.5%, two Consumer Services, Pierre & Vacances and Solocal, both increased slightly, and Industrials stock Gaztransport & Technigaz, aggregate shorting decreased.
 - Basic Materials Saw Air Liquide heavily sold.
- None of these stocks has been shorted since 24th June.

Most bought sectors are Energy (Total the most bought French stock since 24th June), Technology and Healthcare (Sanofi seeing heavy buying, most of it in the ADR, Sanofi coming in after Total as the most bought French stock since 24th June) – which saw increased NSPs – followed by Consumer Services (heavy buying of Vivendi) and Utilities (Engie most bought utilities stock).

Investors filing most

Most commonly seen investors shorting are Marshall Wace, Och-Ziff Management Europe, AQR Capital Management and Citadel (US and UK) on the hedge fund side, BlackRock Investment Management (UK) and BlackRock Advisors on the investment advisor side.

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