



S3 Analytics – Shorts down \$442 million as Apple Approaches \$1 Trillion Market Cap

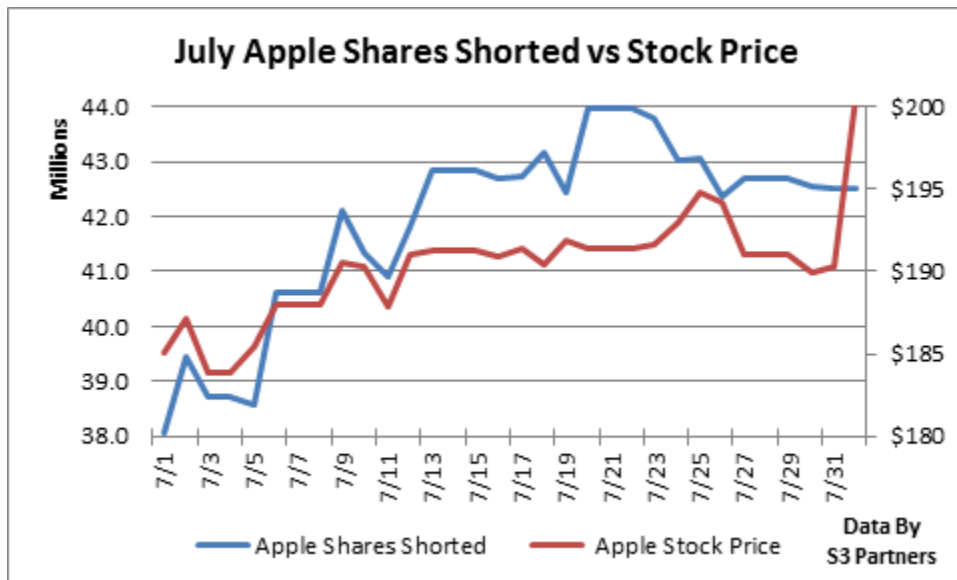
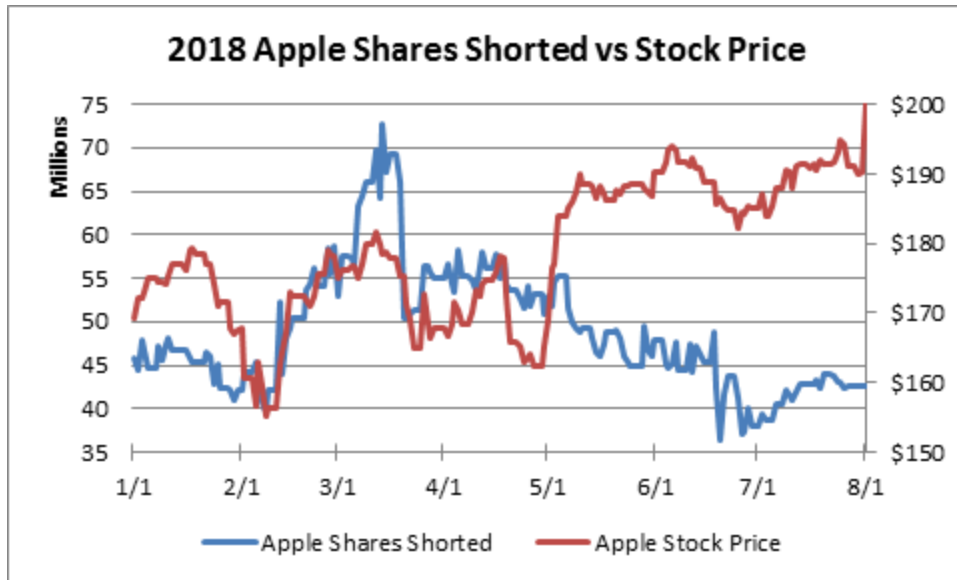
Apple Inc.'s (AAPL) stock price is rallying over 5% today on greater than expected current quarter sales and revenue forecasts. AAPL is trading above \$200/share and is on the verge of becoming the first \$1 trillion company. AAPL continues to be the second largest equity short in the U.S. market, behind Tesla Inc (TSLA) and ahead of its four FAANG cohorts. AAPL short sellers are down -\$442 million in mark-to-market losses today on the price move, increasing year-to-date mark-to-market losses to -\$1.51 billion.

Largest U.S. Equity Short Interest (in \$ millions)	Ticker	\$ Short Interest	Monthly Change	YTD MTM P/L	YTD MTM P/L %
Tesla Inc	TSLA	\$10,532	-\$1,330	-\$170.9	-1.60%
Apple Inc	AAPL	\$8,530	+\$1,481	-\$1,511.5	-17.31%
Amazon.com Inc	AMZN	\$7,479	+\$212	-\$3,232.8	-43.06%
Alphabet Inc C/A	GOOG/L	\$6,585	+\$955	-\$978.4	-14.41%
Netflix Inc	NFLX	\$5,977	-\$688	-\$3,117.4	-50.64%
Microsoft Corp	MSFT	\$4,951	+\$234	-\$899.6	-18.73%
Facebook Inc	FB	\$4,724	-\$198	+\$20.1	+0.41%
Intel Corp	INTC	\$4,147	-\$165	-\$180.7	-4.01%
Bank of America Corp	BAC	\$3,902	+\$749	-\$240.	-6.27%
Visa Inc	V	\$3,766	+\$474	-\$646.5	-19.06%

AAPL shares shorted have been declining since mid-March when AAPL briefly topped TSLA as the U.S. equity with the largest short interest. AAPL shares shorted and short interest are down 42% and 34% respectively since then, as short sellers covered shares steadily due to AAPL's 12% stock price rally. AAPL's short interest is down from its February year-to-date high of \$13.0 billion to \$8.5 billion.

While overall AAPL short exposure declined in 2018, short sellers had been very active in July. AAPL shares shorted are up 4.4 million shares, +12%, for the month and short interest is up \$1.0 billion, +15%. Shorts were actively building their positions in the beginning of July and held onto those positions ahead of this month's earnings call.

Short seller's profits were relatively flat in the 1st quarter of 2018 as they built up their short exposure by almost \$5 billion; they were up +\$28 million, or +0.31%. AAPL's rally at the tail end of the 2nd quarter generated most of the losses for short sellers; they ended the quarter down -\$938 million, or -10.58%. The 3rd quarter continued the red ink; with short sellers down -\$206 million in July and now down -\$442 million on the first day of August. Short sellers are now down -\$1.51 billion in mark-to-market losses year-to-date, or -17.33%.



Want deeper insight into the above analysis?

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