



Short Interest Shrinking for Barrick, Goldcorp

Description

To test the market’s conviction in the recent sell-off that has occurred in gold-land, I had a look at the current short position against some of the big names that live in this sector. More specifically, it’s the change in this short position that was of real interest.

The basic assumption was that short positions across the sector should have increased since the meltdown began if the market has in fact convinced itself that gold and gold stocks are in a downward spiral. However, this doesn’t appear to be the case.

Tabled below are the results. The commodity, represented by the **SPDR Gold Trust ETF** ([NYSEMKT:GLD](#)), was included for some context.

Company Name	Short Interest (MM shs)	% Shs o/s	% Chg since
SPDR Gold ETF (NYSEMKT:GLD)	15.4	3.5%	
Barrick Gold (TSX:ABX,NYSE:ABX)	6.4	0.6%	
Goldcorp (TSX:G,NYSE:GG)	4.1	0.5%	
Yamana (TSX:YRI,NYSE:AUY)	6.5	0.9%	
Agnico-Eagle (TSX:AEM,NYSE:AEM)	1.6	1.0%	

Source: Capital IQ

We see that the commodity, along with the sector's two biggest names, **Barrick Gold** (TSX:ABX,NYSE:ABX) and **Goldcorp** (TSX:G,NYSE:GG) have in fact seen their short interest shrink since the beginning of April. Mid-tier firms **Yamana** (TSX:YRI,NYSE:AUY) and **Agnico-Eagle** (TSX:AEM,NYSE:AEM) have experienced an increase.

In the context of total shares outstanding however, all of these short positions are very minor and unlikely to have impacted the stocks in a material way.

Foolish Takeaway

Because gold has historically been seen as a hedge against the world going bad, being long this sector was like shorting the rest of the market. Now that the commodity has lost some of its lustre, it will be interesting to monitor these figure to see if this behaviour changes with time.

Investors have relied upon gold as a way to navigate a challenging market. This has clearly not worked. Dividend stocks however continue to prove themselves through thick and thin. We have profiled 13 U.S. companies that will set your portfolio up for many years of winning returns in our special report "**13 High Yielding Stocks to Buy Today**". Simply [click here](#) to access this FREE report and you'll be rolling in dividend cheques before you know it. You're just [one click](#) away from dividend nirvana!

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Fool contributor Iain Butler is short \$32 July 2013 put options on Goldcorp, \$14 June 2013 put options on Yamana and owns shares outright in Barrick Gold and Yamana. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSEMKT:GLD (SPDR Gold Trust)
2. TSX:ABX (Barrick Mining)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:YRI (Yamana Gold)

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