



2 More Canadian Tech Companies Squeezing Their Shorts

Description

Keeping with the spirit of the [sizeable rally currently taking place with CGI Group \(TSX:GIB.A\) shares](#), two more Canadian tech co's that have been squeezing their legions of short sellers in recent weeks have been **Open Text** (TSX:OTC,NASDAQ:OTEX) and **Blackberry** (TSX:BB,NASDAQ:BBRY).

Tabled below are the current short positions against each as well as their respective performance since April 15th.

Company Name	Short Interest	% of Shares Outstanding	Recent Performance
Open Text	8.3 million	14.2%	16%
Blackberry	164.3 million	31.4%	19%

Source: Capital IQ

Open Text shares caught a tail wind after quarterly results were released last week. Even though the actual results were somewhat marginal, the company announced a \$0.30 quarterly dividend. This makes it more expensive for short sellers to maintain their position as they are on the hook to pay this dividend to the rightful owners of the shares. The company has little net debt and generates impressive free cash, therefore, the initiation of a dividend appears to be a sound move by management. And, if it hurts the shorts, even better for the company's owners.

With a pristine balance sheet and a history of producing generous amounts of free cash, Blackberry is in a similar position as Open Text. Shares have been moving higher on strengthening expectations for the new Q10 and its physical keyboard that's hitting the market this week. It will be interesting to see if at some point management fans the flames and tries to smoke out the shorts by introducing a dividend, just like Open Text has done.

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Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:OTEX (Open Text Corporation)

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