



## Is It a Bird? Plane? Nope – CGI's Stock Price

### Description

**CGI Group** (TSX:GIB.A,NYSE:GIB) is ripping higher today, up 15% at this point, on better than expected quarterly earnings. Adjusted EPS came through at \$0.56, easily beating the consensus at \$0.50.

Paired with this earnings beat was the news that the company now expects higher synergies with the Logica acquisition. What was to be \$300 million in synergies has grown to \$375 million. In addition, the integration of this acquisition will be completed one year ahead of schedule.

### Squeeze

CGI carries a short position of about 4.4 million shares which is relatively high for a company that trades an average of 400,000 shares per day on the Canadian exchange and 178,000 shares per day on the NASDAQ.

The 7.6 days it would take to cover this short position with trading on both exchanges combined is high when compared to the 4.5 days that it would take to cover Blackberry's (another heavily shorted stock) short position on its NASDAQ trading alone.

With these better than expected results, part of today's dramatic rise can likely be attributed to a good old fashioned short squeeze.

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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. NYSE:GIB (CGI Group Inc.)
2. TSX:GIB.A (CGI)

## **Category**

1. Investing

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