



Canadian Housing Taking Heat from Hedgies

Description

[First, there was an article](#) about the “man who’s shorting Canada” in the Globe and Mail. A similar story appeared in this morning’s Wall Street Journal. Now, Canadian housing has been dragged through the mud at a prominent New York City hedge fund conference that’s still underway.

“The man” that got the ball rolling, Vijai Mohan, is negative on Canada’s housing market as well as our exposure to commodities and has taken out a *relatively* significant short-bet to express these opinions. The WSJ article indicated Mohan has been shorting **Home Capital Group** ([TSX:HCG](#)) and **Genworth Financial** (TSX:MIC).

The term “relative” is important here. The significance of Mohan’s positions was dampened somewhat when the WSJ revealed his firm only manages \$11 million. Yep – “million”, with an “m”. Big money to you and me, but in the world of investment management, peanuts.

However, the “Mohan movement” may be gaining traction. The hedge fund event mentioned above is known as the Ira Sohn Conference. It’s held annually and provides hedge fund managers with a platform to provide their “top picks” to a room full of paying attendees, all in the name of charity.

One of today’s speakers was hedge fund manager Steve Eisman. Eisman’s bets against the U.S. housing market, chronicled in the Micheal Lewis book “The Big Short”, are somewhat legendary. Seemingly, he’s trying to catch lightning in a bottle, again.

In his presentation, Eisman was reportedly all over the Canadian housing market, in a negative way. Like Mohan, he too reportedly singled out Home Capital.

After trading around the \$55 mark for much of the day, Home Capital shares fell by almost 2% after Eisman exposed his position. Genworth shares followed a similar pattern, although finished the day down just under 1%.

Foolish Takeaway

Although the proceeds go to a good cause, the Ira Sohn conference feels more and more like a “pump

your own positions” event every year. The presenters know that the Twitter-sphere is hanging on their every word and therefore, the importance of presenting a legitimate, money-making idea could well be overshadowed by their attempt to gain the most attention. For Eisman, mission accomplished. As for his Home Capital bet (if he in fact has one) – it may turn out to be less successful.

While Eisman might be shorting Home Capital we have created a special FREE report that identifies 3 U.S. businesses that no short seller in their right mind should ever touch. The reason – these are three of the most dominant businesses in the world! Simply [click here](#) to receive “**3 U.S. Stocks Every Canadian Should Own**” – FREE!

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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. TSX:HCG (Home Capital Group)

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