



## Checking in on BlackBerry's Shorts

### Description

With today's +9.0% move thus far, **BlackBerry** (TSX:BB,NASDAQ:BBRY) shares have now run up by about 25% since [the report last week](#) that indicated a go-private transaction might be in the works for the company.

One group that hasn't necessarily enjoyed this steep increase in BlackBerry's price over the past couple trading days are the short sellers. Not only has this steep rally cut into the gains they may have, it has also essentially put a floor under the stock. The game has changed, a dynamic that becomes more clear when we have a look at how the shorts have behaved since last Friday.

The following chart indicates (trust us) that the outstanding short position (light blue, steadily rising line) has declined from its peak of 35.2% of shares outstanding down to 27.8% at last night's close. We can assume that today's rally is at least partly being partially fuelled by a continuation of this trend.

### [bb shorts chart long term](#)

The fact that the shorts are covering is an indication that they're taking this potential transaction more seriously than last May when BlackBerry announced that they had hired JP Morgan and RBC to seek out "strategic alternatives". In fact, as the chart above indicates, it was this announcement that coincided with the short position beginning to move steadily higher.

### Foolish Final Thoughts

This isn't the dramatic one-day, massive short covering we'd envisioned [in past posts](#) that might be in store for BlackBerry shares. Nevertheless, the fact that the outstanding short-interest has come down rather materially over the past few days indicates that market participants are treating this go-private scenario for BlackBerry with a touch more respect than they have in the past.

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*Fool contributor Iain Butler does not own shares in any of the companies mentioned at this time. The Motley Fool does not own shares in any of the companies mentioned at this time.*

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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