

## USEC Doubles as Traders Say Uranium Stock Rally Spurs Squeeze 2013-07-22 20:47:29.792 GMT

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July 22 (Bloomberg) -- USEC Inc., a uranium supplier whose shares are five times more volatile than the Russell 2000 Index, doubled today amid speculation gains in nuclear stocks were prompting bearish traders to cover positions.

USEC jumped 98 percent to \$11.98 at 4 p.m. in New York, earlier soaring as much as 161 percent. The increase was helped by a short squeeze and a victory by Prime Minister Shinzo Abe's Liberal Democratic Party in Japan, according to Ian Winer, director of equity trading at Wedbush Securities Inc.

"The Japanese elections seem like what people are pointing to," Winer said in an interview. Buying by bears who borrowed the stock and sold it plays in "a little bit for sure, but I think this is just a frenzy," he said.

The stock, which has about 4.7 million shares available for trading after a 1-for-25 reverse split this month, has gained or lost an average of 5.4 percent a day this year, compared with moves of 0.7 percent for the Russell 2000, according to data compiled by Bloomberg. Japan's Abe will likely seek to restart many of the country's nuclear reactors that were shut after the 2011 earthquake and tsunami, said Yousef Abbasi, market strategist at JonesTrading Institutional Services LLC, a Westlake, California-based broker.

Paul Jacobson, spokesman for USEC, said the company would not comment on moves in the share price.

About 16 percent of USEC's shares available for trading were borrowed and sold short as of July 18, according to Markit, a London-based research firm. That compares with bearish wagers of 5 percent on average among stocks in the Russell 2000.

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"My view is that this is purely technical, no real fundamental basis for the stock move," Andrew Ross, a partner at New York-based First New York Securities LLC, said in an interview. It's a "short squeeze incited by their recent reverse stock split," he said.

USEC's float, or the number of shares available to the public, compares with 13 million for Uranium Resources Inc. and Cameco Corp.'s 395 million.

About 3.9 million shares of USEC changed hands today, or 83 percent of the company's tradable shares, according to data compiled by Bloomberg. The stock reached a record low of \$2.96 on July 8 and has since more than quadrupled.

Other uranium producers advanced. The Global X Uranium ETF jumped 5 percent, the most since December. Uranium Resources, Uranerz Energy Corp. and Laramide Resources Ltd. rallied at least 15 percent.

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