

Title: Can daily short percentage can be used to calculate the minimum short interest? Need an assumption checking.

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I'm a software engineer considering writing a script to calculate the minimum short interest on our beloved stock. This is based on an assumption that you can open and close a short in a day, but if there is more than 50% short volume in a day anything above 50% must still be open at the end of the day. The only way to reduce open short interest is to have short volume less than 50%:

$$\text{minimum-open-short-interest-at-close} = ((\text{daily-short-percentage} - 50)/100) \times \text{daily-volume}$$

If we sum this calculation for all days since a day we knew the open interest we should be able to calculate a minimum short interest.

Or am I making wrong assumptions?