

Excerpt from Bloomberg, January 19, 2022

Battered Clean Energy Stocks May Soon Recover

As the Green Sector Stumbles, Analysts are Seeing Buying Opportunities

Clean energy stocks have been getting absolutely clobbered.

Two Indexes that track the sector – WilderHill Clean Energy and S&P Global Clean Energy – have dropped 13.9% and ----- respectively, since the start of the year. From their market peaks of early last year, the WilderHill Index has plummeted 54% and the S&P Index has declined (For context, the Nasdaq Composite Index has fallen 9.6% from its high on November).

The industry has been slammed by a combination of concerns about higher U.S. Interest rates, a probable reduction in solar-system subsidies for California homeowners, the broader stock market rotation out of high growth technology companies, and the obstruction of President Joe Biden’s ‘Build Back Better’ agenda by 50 Republicans and 2 Democrats, Joe Manchin and The problems seem to be outweighing any industry boost likely to come from implementation of Biden’s massive infrastructure program, which became law last year.

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But as evidence of a possible prolonged bear mounts in this sector, analysts at Morgan Stanley, BNP Paribas Exane, and ... are nonetheless seeing buying opportunities.

Morgan Stanley analysts raised their view of North America’s clean-tech industry to ‘attractive’ from ‘in-line’, saying “we see strong growth and valuations that screen attractive regardless” of whether the U.S. Congress passes the “Build Back Better legislation.”

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After significant underperformance in 2021, we believe now is an excellent time to selectively buy stocks in the sector” according to Morgan Stanley’s report issued last week. “We see continued strong growth for wind, solar, energy storage, fuel cells, and electrification ...”.

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“While it is difficult to know if we are close to the floor”, the industry’s potential for growth “remains robust, renewables are cost competitive and demand is as strong as we’ve ever seen it”, said analysts at

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