

Excerpt from New York Times, April 20, 2009

<http://www.nytimes.com/gwire/2009/04/17/17greenwire-altenergy-stocks-rise-on-the-stimulus-tide-10577.html>

Alt-energy stocks rise on the stimulus' tide

NEW YORK -- Federal stimulus spending is giving a big lift to alternative energy companies' stock values, helping the clean technology sector outperform the overall market over the past month.

Renewable energy stock indices are all on the rise. The WilderHill New Energy Global Innovation Index (NEX), a closely watched indicator of the health of the alternative energy and cleantech industry, is also up by almost 25 percent from a month ago.

....

Market analysts continually warn that clean energy stocks' values are less stable than for other industries. The strong upward trends could reverse quickly in a broader market downturn, especially for solar stocks that have experienced several mini booms and busts.

But this recent rise in cleantech stocks could become increasingly bullish if the broader markets continue to stabilize as many on Wall Street expect. The S&P 500 has been rising steadily over the past month, and yesterday, the NASDAQ index hit its highest level since November.

"Expectations have been driven down to extremes, and the beginnings of a global economic recovery are evident," said Larry Kantor, head of research at Barclays Capital, in a bullish report issued at the end of March. "As a result, we are recommending that investors become more aggressive and take risk over a broader range of assets."

Others are not quite as optimistic. Merrill Lynch cleantech analysts are cautioning investors to pay close attention to companies' strategies and look for technology and innovation leaders to come out on top, convinced that "being different is more important in the long run than being better."

....

Solar technology stocks could particularly prove to be dangerous territory for less knowledgeable investors over the coming month. Many observers expect a wave of consolidation to come as falling photovoltaic prices push weaker players to the wayside, although the industry as a whole remains remarkably upbeat.

And stock values across cleantech are still sharply down from where they were a year ago, when the industry was lifted on the back of spiking oil prices. This most recent growth trend does not necessarily mean the economy or the industry is in the midst of a strong turnaround, warns Alt Energy Stocks' Konrad.

"I see this as more a bear market rally," Konrad said. "The bear market is not over in my mind, and that's going to be true in cleantech and even more so in the market as a whole."