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Author: Stephen Munro
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NEX Posts Small Bounce-Back After a Miserable Third Quarter

The WilderHill New Energy Global Innovation Index, or NEX, posted a 7.2% gain last week after plunging by more than a third during the third quarter

The 95-stock index of clean energy firms rose sharply amid a broader rally on markets worldwide. The MSCI AC World Index rose 5.4% and the Nasdaq jumped 7.6%. The S&P 500, up 6%, posted its best weekly gain since July 2009.

The NEX is still off 32% since the start of the year, in large part because of a miserable third quarter in which clean energy stocks lost 35% of their value.

Last week, shares worldwide were bolstered by what appeared to be progress in Europe among leaders grappling with the continent's ongoing debt problems. Retail sales also beat economists' expectations, raising some hopes about the US economy.

The NEX was particularly buoyed by the performance of companies in energy conversion, which gained 11.8% and outperformed all other clean energy sub-sectors in the index. Energy storage firms also fared well, rising 10.9% on the week. Companies in wind gained 9.3%.

Solar stocks fared worst, gaining just 5.4% on the week. Among the week's biggest losers was First Solar Inc., which saw its shares sink 5.9%. The Arizona-based thin-film PV manufacturer's shares hit a four-year low on concerns that the German market will not be as strong as previously anticipated.

The single biggest decliner on the week was Amyris Inc. The California-based developer of next-generation biofuels and pharmaceuticals saw its shares sink 8.4%. Amyris executives liquidated some existing holdings in the company.

Woongjin Energy Co. Ltd was the single biggest gainer on the week in the NEX, rising 30%. The South Korean solar cell, ingot, and wafer maker made no major announcements during the week to account for the rise but is one of the more thinly-traded issues in the NEX with a market capitalization of \$340m. Woongjin was added to the NEX at the start of October when the index was last re-balanced.

The weekly gains came in the wake of a dismal third quarter performance by the NEX. The index plunged 35% during the period as all clean energy sectors suffered from the effects of sluggish economic conditions and the wind-down of government stimulus programs.

With a significant number of component companies exposed to pullbacks in government support, the NEX fared much worse than broader indexes. The large-capitalization S&P 500 sank 16% in the period, while the technology-centric Nasdaq Composite Index lost 14% and the MSCI AC World Index of global equities slid 19%.

Among NEX sectors, the biggest laggard was solar, which swooned almost 55%. Companies in the renewable-other Sector, which incorporates both small hydro and geothermal activity, declined the least (-19%). Between those range-setters were energy efficiency issues (-23%), biofuels and biomass (-26%), energy conversion (-29%), power storage (-32%) and wind (-40%).

The top share-price gainer among NEX components in the third quarter was Hansen Transmissions International NV. The British wind-turbine component maker rose 73% after it was announced that it would be acquired by ZF Friedrichshafen AG of Switzerland.

Universal Display Corp. of the U.S. was the index's second-biggest quarterly gainer, adding 38%. The organic LED producer outperformed analysts' expectations on earnings announced in early August, and later in the month it disclosed that its technology would be used in LG Electronics Inc.'s latest smart phone.

Other top gainers in the quarter were Maxwell Technologies (US; 14%), Brookfield Renewable Power Fund (Canada; 6%) and Roth & Rau AG (Germany; 3%).

The NEX's worst price performer in the third quarter was Ener1 Inc. The US lithium-ion battery maker, which lost 87% of its market value, became the target of short sellers and class-action lawyers after Norwegian electric carmaker Think Holding's June bankruptcy led Ener1 to restate quarterly and annual financials in July. Think was a major customer of Ener1, which also held an equity stake in the carmaker.

Solar Millennium AG was the second-biggest decliner in the quarter, losing 84%. The solar generation developer, which previously specialized in thermal technologies, switched its Blythe project in the U.S. to photovoltaics and later agreed to sell all of its U.S. projects.

Other top decliners in the third quarter were Broadwind Energy (US; -77%), Trina Solar Ltd. (China; -71%) and Suntech Power Holdings Co. Ltd. (China; -70%).

----- End of Original Article Published October 14th, 2011 -----

Q3 2011 Performance

Sector	Performance
Biofuels & Biomass	-25.7%
Energy Conversion	-28.9%
Energy Efficiency	-22.9%
Other	-18.6%
Power Storage	-32.0%
Solar	-54.6%
Wind	-39.3%
NEX	-35.2%

Top 5 performing stocks	Performance	Country	Sector	Exchange	Ticker
Hansen Transmissions International	73.4%	UNITED KINGDOM	RWD	XLON	HSN LN EQUITY
Universal Display	38.0%	UNITED STATES	EEF	XNMS	PANL UQ EQUITY
Maxwell Technologies	13.9%	UNITED STATES	PWS	XNGS	MXWL UW EQUITY
Brookfield Renewable Power Fund	6.1%	CANADA	ROH	XTSE	BRC-U CT EQUITY
Roth & Rau	2.6%	GERMANY	RSR	XETR	R8R GY EQUITY

Bottom 5 performing stocks	Performance	Country	Sector	Exchange	Ticker
Suntech Power Holdings	-70.3%	UNITED STATES	PWS	XNGS	HEV UW EQUITY
Trina Solar	-71.0%	GERMANY	RSR	XETR	S2M GY EQUITY
Broadwind Energy	-77.1%	UNITED STATES	RWD	XNGS	BWEN UW EQUITY
Solar Millennium	-84.4%	UNITED STATES	RSR	XNYS	TSL UN EQUITY
Ener1	-87.0%	UNITED STATES	RSR	XNYS	STP UN EQUITY

2011 YTD Performance

Sector	Performance
Biofuels & Biomass	-22.5%
Energy Conversion	-49.2%
Energy Efficiency	-27.3%
Other	-12.8%
Power Storage	-40.8%
Solar	-54.0%
Wind	-41.2%
NEX	-35.5%

Top 5 performing stocks	Performance	Country	Sector	Exchange	Ticker
Roth & Rau AG	81.5%	GERMANY	RSR	Xetra	R8R GY Equity
Universal Display Corp	56.4%	UNITED STATES	EEF	NASDAQ GM	PANL UQ Equity
Takuma Co Ltd	51.4%	JAPAN	RBB	Tokyo	6013 JT Equity
Polypore International Inc	38.8%	UNITED STATES	ENS	New York	PPO UN Equity
KiOR Inc	38.3%	UNITED STATES	RBB	NASDAQ GS	KIOR UW Equity

Bottom 5 performing stocks	Performance	Country	Sector	Exchange	Ticker
China Ming Yang Wind Power Group Ltd	-77.0%	UNITED STATES	RWD	New York	MY UN Equity
Solar Millennium AG	-84.9%	GERMANY	RSR	Xetra	S2M GY Equity
Broadwind Energy Inc	-86.1%	UNITED STATES	RWD	NASDAQ GS	BWEN UW Equity
American Superconductor Corp	-86.3%	UNITED STATES	RWD	NASDAQ GS	AMSC UW Equity
Ener1 Inc	-96.4%	UNITED STATES	ENS	NASDAQ GS	HEV UW Equity

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