

Uncertainty Dominates July 2008 for Global Clean Energy, as Seen in the NEX Index®

Clean energy stocks worldwide as captured by the WilderHill New Energy Global Innovation Index (NEX) saw significant ongoing uncertainty during July 2008, with ongoing lack of clear direction either way and some brief but sizeable declines.

London and U.S.A. August 2, 2008 – After a first week in July that saw some sharp declines, the NEX Index® then moderated its action during the second week and it finished the 2nd week of July 8-14 at 373, down just 1.4%. Nasdaq and S&P 500 Indexes declined by 1.4% and 1.9% respectively over that period, while AMEX Oil fell 3.6%.

During that second week of July, the wind sector of the NEX Index® fell 4.1% and it became the sector with the strongest declines largely due to a single German wind turbine manufacturer that plummeted 27%, after it slashed its EBIT forecast for Q2 FY08 by EUR 14m (USD 22m) due to higher costs related to its international expansion.

Companies in the NEX power storage sector slid 3.8%, over that second week. One component, a Hong Kong-listed Chinese rechargeable battery maker dropped 10% after a “stay application” on a second lawsuit brought against it by a firm in Hong Kong was recently turned down by the High Court of the Hong Kong Special Administrative Region. It wasn’t all bad news however. A US ultra-capacitor maker bucked the trend to soar 13%, after its quarterly revenue forecast came in above analysts’ expectations.

Hydrogen and fuel cell companies within the NEX dipped 2% as a well-known Canadian company sank 11%. Meanwhile a smaller US PEM fuel cell producer that had recently extended a supply agreement with the former fuel cell maker was dragged down 4%.

In contrast, the biofuels and biomass developers sector picked up a small 1% over that second week of July. A German biogas plant developer gained 13% after receiving a EUR 60m (USD 94m) order from an Italian renewable energy project operator, while a large US waste incineration conglomerate gained 11%. In contrast, a very small and speculative specialty enzyme producer aiming for cellulosic biofuels plunged 27%.

The energy efficiency sector managed to stay barely in positive territory with a nominal gain of 0.9%. One US smart meter manufacturer surged almost 25% as best performer in the NEX Index® for that week, after it won a supply contract valued at USD 40m from a Danish utility. NEX top gainers and top losers for this second week of July 2008 were:

NEX top gainers for July 08 – July 14, 2008

Echelon	ELON	+ 24.9%
EnerNOC	ENOC	+ 17.6%
SunPower	SPWR	+ 13.9%
Schmack Biogas	SB1	+ 13.7%
Ultralife Batteries	ULBI	+ 13.7%

NEX top losers for July 08 – July 14, 2008

Nordex	NDX1	- 27.8%
Verenium	VRNM	- 27.7%
Solon AG fuer Solartechnik	SOO1	- 16.7%
Solaria Energia y Medio Ambiente	SLR	- 14.2%
Brasil Ecodiesel Industria e Comercio de Bioc	ECOD3	- 13.3%

NEX for July 15-21, 2008:

The NEX closed the following week at 389, up 4%. The Nasdaq and S&P 500 climbed 3% and 2.6%, respectively, while AMEX Oil dipped 3% as crude oil fell in New York.

The biofuels and biomass sector of NEX Index[®] jumped 8% over July 15-21, to become the best performing sector for this third full week of the month. Three major US biofuels producers each made dramatic gains earning them top three places in the NEX. One was a US bioethanol producer that rocketed 57% after a UBS analyst upped the stock to ‘buy’ from ‘neutral’, saying margins are improving in the business of turning corn (maize) into ethanol. The story was similar for a small enzyme maker that soared 55% after declining strongly just the week before, while a third had a relatively ‘modest gain’ of 38%! In contrast two Brazilian biofuels companies dropped 11.3% and 8%, respectively.

The energy efficiency sector of the NEX gained too, and by 7% in the third week of July 2008. It was led by an Irish manufacturer of insulated panels that surged 29% following media reports that this company’s products could potentially help reduce heating bills (and greenhouse gas emissions) rather significantly as compared with traditional building methods. In addition, a US manufacturer of energy efficient power converters for wind turbines and which also makes 2G HTS superconductor wires also appreciated by 18%.

Power storage companies rose 3%. In particular, one US ultra-capacitor maker moved up 20% after a European drive-train integrator selected this company to supply ultra-capacitor modules to help power its emission-free electric buses destined for Milan.

The solar sector of the NEX Index picked up 2% too, over this third week of July 2008. A German solar PV manufacturing equipment provider soared 19% after the company offered bonus shares to existing shareholders, while another German solar PV manufacturer slid 8% on news that it planned to sell half its factories and cut 500 jobs.

The only sector decline during the third week of July was in the ‘other renewables’ sector (currently largely made up of mini-hydro project developers and geothermal project developers) that edged down 0.9%, with one Canadian firm here falling 12%.

NEX for July 22-28, 2008

NEX closed on Monday, July 28th at 369, down a robust 5.2% for the preceding week. By comparison Nasdaq over that period edged down just 0.7% and S&P 500 lost only 2%. AMEX Oil however fell a full 4.5% as crude oil dropped to a 7-week low on July 25 thanks to a report showing OPEC bolstering output to ease some shortages of supply.

Solar retreated by 9% and further than any other NEX sector. A large Japanese PV cell maker and electronics giant managed a gain of 2%, but was the only one to end the week positive. Three solar companies ranked among NEX bottom five performers: a Spanish PV firm plunged 27% over fears the decision to reduce solar feed-in tariffs in Spain will hurt sales; a US silicon wafer maker shed 16% on lower-than-expected profit for Q2 FY08 and cut FY08 outlook; and a German manufacturing equipment provider lost 15%.

Energy efficiency companies declined 5%. The biggest loser was a US firm that sank 21%, followed closely by a peer that plummeted 20% after it was revealed that the company had been on the Nasdaq naked short threshold list for 13 consecutive trading days. On a more positive note, a Shanghai-listed maker of bulbs for compact fluorescent lamps surged 17% on announcing plans to establish a subsidiary in Belgium for Europe.

Biofuels and biomass developers fell 3%. A US bioethanol producer that soared the week before tumbled 14%, after it also decided to start a production line had previously been left idle. In contrast a US developer of new enzymes soared 13% after it was awarded a three-year USD 5.4m grant from a New Zealand group for research development.

Hydrogen & fuel cells' small gain of 2% was the only positive result in the last week of July. This was largely led by a Canadian fuel cell maker that jumped 11% after it signed a two-year service agreement with a German auto and bus/lorry maker, to provide a full service support package for testing fuel cell systems aboard a small number of buses.

