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Despite Down Week, NEX Ekes Out Small Gain for Third Quarter

The WilderHill New Energy Global Innovation Index, or NEX, eked out a 1.2% gain in the third quarter, underperforming broader market indexes but recovering from a confidence-rattling 15.5% plunge in the second quarter.

The NEX shed 3.5% in the trading week ended 28 September. Year to date in 2012, it is off 8%. In the same period of 2011, it fell 37%.

Effective after the close of trading on 27 September, WilderHill made seven changes to the NEX's composition. Added to the component list were Unison Co. Ltd. (South Korea), Japan Wind Development Co. Ltd., Aixtron SE (Germany), Akenerji Elektrik Uretim AS (Turkey) and SPCG PCL (Thailand). Deleted were A123 Systems Inc. and Vanguarda Agro SA.

In the just-closed quarter, the NEX's best-performing sector was biofuels and biomass, which was up 3.3%. Energy conversion was the worst performer, declining 20%. The wind sector and the index's 'other' grouping, which contains geothermal and small hydro issues, rose 2.4% and 2.5%, respectively. Energy efficiency added 0.5%. Solar stocks retreated 8.5%. Energy storage slid 18.8%.

In the quarter, the large-capitalization S&P 500 advanced 5.8%, while both the technology-centric Nasdaq Composite Index and the MSCI AC World Index of global equities rose 6.2%.

The top share-price gainer among NEX components in the third quarter was EnerNOC Inc., which soared almost 80%. The US demand response technology provider reported stronger-than-expected quarterly results on 7 August and later upgraded substantially its 2013 earnings outlook.

Neo-Neon Holdings Inc. was the index's second-best quarterly performer, up nearly 68%. The Hong Kong LED manufacturer's shares rocketed up 80% on 28 August after it announced that it had developed a 'modularized' production process that would significantly reduce costs.

Other top NEX gainers in the quarter were First Solar Inc. (US; 47%), LSB Industries Inc. (US; 42%) and Abengoa SA (Spain; 33%).

A123 Systems Inc. was the NEX's worst price performer in the third quarter, descending 80%. The US energy storage specialist agreed to a debt-and-equity infusion of up to \$450m from Wanxiang Group Corp. after a combination of industry overcapacity and product quality issues hobbled its sales.

Korea's Woongjin Energy Co. Ltd. was the second-worst performer, with a retreat of 58%. Parent company Woongjin Holdings filed for bankruptcy protection on 26 September.

Other top decliners in the period were Gevo Inc. (US; -57%), Suntech Power Holdings Co. Ltd. (China; -54.3%) and Molycorp Inc. (US; -46.6%).

WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX Q3 2012 PERFORMANCE

Top 5 performers		Primary sector	Country	Weight	Change
EnerNOC	Energy Efficiency	United States	0.79%	79.3%	
Neo-Neon Holdings	Energy Efficiency	Hong Kong	0.58%	67.7%	
First Solar	Solar	United States	2.70%	47.0%	
LSB Industries	Other Renewables	United States	0.86%	41.9%	
Abengoa	Biofuels & Biomass	Spain	2.62%	33.2%	
Bottom 5 performers		Primary sector	Country	Weight	Change
A123 Systems	Energy Storage	United States	0.07%	-80.2%	
Woongjin Energy	Solar	South Korea	0.37%	-58.1%	
Gevo	Biofuels & Biomass	United States	0.19%	-57.1%	
Suntech Power	Solar	United States	0.31%	-54.3%	
Molycorp	Energy Conversion	United States	0.31%	-46.6%	
Sector performance				Change	
Energy Conversion				-20.1%	
Energy Storage				-18.8%	
Solar				-8.5%	
Energy Efficiency				0.5%	
Wind				2.4%	
Other Renewables				2.5%	
Biofuels & Biomass				3.3%	
Regional performance				Change	
Asia & Oceania				-8.8%	
Americas				0.4%	
Europe, Middle East & Africa				3.1%	
Total				-0.7%	
<i>Note: Weights as of 27 September 2012. % change between 29 June 2011 and 28 September 2012.</i>					