

Excerpt from ETF Trends, January 11, 2012
<http://www.etftrends.com/2012/01/solar-energy-etfs-jump-over-12/>

Solar Energy ETFs Jump ...

Solar exchange traded funds are shining brightly Wednesday on improved demand and inventory levels. After ending 2011 as one of the worst performing sectors, solar stocks and ETFs may now be undervalued, Deutsche Bank says.

... Solar ... gained ... at last check Wednesday, and ... Solar Energy ETF jumped Meanwhile, the **Powershares WilderHill Clean Energy Portfolio ETF (NYSEArca: PBW)** was up 5.8%.

According to a Deutsche Bank report, solar industry stocks are undervalued, given the favorable demand outlook and lower inventory levels, reports

“Recent conversations indicate investor sentiment is still very low and short interest near record levels. Given the rising 1H12 demand prospects in Europe/US, we now believe the recent trend of encouraging poly pricing data points could likely continue for the next month and as such, likely drive solar stocks higher,” Deutsche Bank analyst Vishal Shah wrote in the note. “Although we expect solar companies to report losses during the upcoming Q4 earnings reports, we note that street estimates are already low and confirmation of the above trends could likely drive upside sentiment surprise.”

“Our checks indicate that inventory levels across the supply chain are now at record low levels and we believe record December month shipments is likely to create a sense of rush among installers in 1H12 before another anticipated 15% subsidy cut from July,” Shah added.

In the U.K., solar capacity expanded 10-fold last year to 761.9 megawatts in capacity, compared to 76.8 megawatts at the end of 2010, as installers capitalized on government incentives and subsidies, reports Marc Roca for Bloomberg.

Additionally, Germany installed a record 7,500 megawatts last year. Shah also noted that solar panel demand in Italy and the U.S. will also support the sector, reports Matt Daily for Reuters. Demand in China and India may also be higher-than-expected this year, Shah added.