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“Renewable Energy and Clean Technology”
https://raymondjames.bluematrix.com

Clean Tech Update: Decarbonization Megatrend Provides Strong Tailwinds, but Selectivity Remains Key for 2019 Amid a Risk-Averse Macro Landscape

In this earnings update, we are adjusting 4Q18 and 2019 estimates for our clean tech coverage and also initiating 2020 estimates. The WilderHill Clean Energy Index (ECO) – clean tech’s main benchmark index – ended up as the second-best-performing energy subsector of 2018, having been at the top in 2017 (but the mirror image of 2016). To be sure, clean tech’s performance on an absolute basis was still disappointing (i.e., it was "a good house in a bad neighborhood"): down 15%, versus our year-ago expectation of a 10-15% gain, and as compared to the S&P 500's loss of 6%. Each of the past three years provide a useful reminder that the vast majority of clean tech stocks have little to no linkage to oil (or other hydrocarbon) prices, whether on the upside or the downside. The oil price sell-off in late 2018 was essentially irrelevant for clean tech stocks, but the broader market’s dismal end to the year, amid worsening macroeconomic fears, was clearly unhelpful for high-growth story stocks, clean tech included.

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