

Excerpt from Seeking Alpha, January 22, 2026

https://seekingalpha.com/article/4861989-pbw-clean-breakout-with-clean-energy-pure-valuation-upgrade?source=feed_sector_etf_portfolio_strategy

PBW: Clean Breakout With Clean Energy, Pure Valuation (Upgrade)

Summary

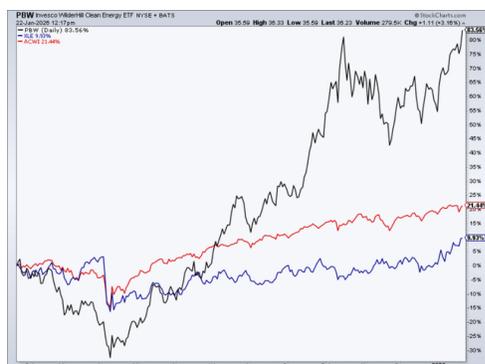
- I upgrade Invesco WilderHill Clean Energy ETF to 'Buy,' citing strong momentum and compelling valuation.
- PBW has returned 95% over 16 months, outperforming the S&P 500 by 70 percentage points.
- The ETF trades just under 20x earnings with a long-term EPS growth rate of 23%, yielding a PEG below 1.
- Technical breakout, bullish RSI, and rising 200dma support a constructive outlook as 2026 progresses.

Clean energy stocks are printing fresh multi-year highs after what has been a very volatile stretch regarding macroeconomic developments. I had a “Hold” rating on the Invesco WilderHill Clean Energy ETF ([PBW](#)) back in [September 2024](#).

Shares went on to plunge into the Liberation Day low last April but have since been on a heater. Overall, the ETF has returned 95% over the past 16 months, outperforming the S&P 500 by about 70 percentage points.

Today, I’m upgrading PBW to a “Buy.” With the fund hitting levels not seen since 2023 and a solid valuation, I expect more upward momentum heading into the rest of 2026.

PBW: Major Alpha YoY



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PBW is a small ETF, with just \$798 million in assets under management as of Jan. 21, 2026. That is up from only \$280 million at time of my previous assessment. The [annual expense](#)

[ratio](#) is moderate to elevated at 64 basis points, while the trailing 12-month [dividend yield](#) is low at about 0.7%. PBW is now ranked [No. 1 out of 17](#) in its Sub Class.

[Share-price momentum](#) is very strong right now, earning the product a pristine A+ ETF Grade in that category by Seeking Alpha's quantitative scoring system. PBW can be [a risky fund](#), though, as evidenced by its lofty historical standard deviation readings and a niche industry thematic allocation. Still, [liquidity](#) is decent, given average daily volume just shy of 1 million shares. The median 30-day bid/ask spread can turn wide, but it's currently 9 basis points, per Invesco.

For an update on the portfolio, the 1-star, Neutral-rated ETF by Morningstar plots along the very bottom row of the style box, indicating its bent to global small caps. Just 7% of the fund is invested in large caps, while mid-cap access is 10%. There is, however, a solid mix of value, blend, and growth. What's more, diversification is seen via its geographical breakdown (18% ex-U.S.).

On valuation, PBW trades a smidgen under 20x earnings. Pair that with a long-term EPS growth rate of 23%, and the resulting PEG ratio is compelling, under 1.

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Digging into the sector view, Industrials commands a significant (though not extreme) 33% of PBW. Information Technology is 24%, though that is primarily related to semiconductor/solar names, which are more cyclically oriented than traditional diversified technology megacaps.

The modified equal-weight product has a low total allocation to the top 10 stocks, helping to limit single-stock risk.

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Seasonally, we are currently in the throes of a neutral stretch. Over the past 10 years, January and February have produced tepid returns, on average. Then, March and April have been decidedly bearish. So, this is not a constructive indicator, admittedly.

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The Technical Take

With a compelling valuation and slightly negative seasonals, PBW's technical situation is constructive.

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The Bottom Line

I have a "Buy" rating on PBW. It sports absolute and relative strength, and with an attractive valuation, I see higher prices for this clean energy ETF as 2026 progresses.