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## Environmental Markets: Exploring the Next Frontier, Part II

**Charles Morand ([AltEnergyStocks](#)) submits:** An interesting bit of follow-up on my article last week about [exchanges and environmental markets](#). Both the NYMEX (NYSE: [NMX](#) - [News](#)) and the Chicago Climate Exchange [CCX] have partnered up, in the past two weeks, with specialty cleantech and alt. energy index makers to launch derivative products.

On March 14, Chicago Climate Futures Exchange [CCFE], a wholly owned subsidiary of the [CCX](#), and [WilderShares LLC](#), [announced](#) (PDF document) a licensing agreement to launch a futures market based on the WilderHill Clean Energy Index [^ECO]. The ECO is also the underlying index for the Powershares WilderHill Clean Energy Portfolio ETF (AMEX: [PBW](#) - [News](#)).

The CCFE-ECO Index futures, as they will be known, are the CCX's first foray outside of the world of emissions trading and into the realm of cleantech investing. If you were wondering where a pure-play environmental exchange would ever diversify, you got your answer.

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To be sure, listing derivatives based on alt. energy and cleantech is different from seeking exposure to pure environmental markets as I defined them last week. Nevertheless, this is all part and parcel of the same broad movement. Once solid cash markets for environmental commodities are in place, the relationship between environmental markets and cleantech/alt. energy stocks/indexes will become clearer, and a larger array of options will become available for investors to hedge their bets or exploit inefficiencies.

So let me reiterate what I said at the end of last week's article: keep an eye on how exchanges are positioning themselves with regards to environmentally-driven markets, as these markets will present very attractive growth opportunities in years ahead.