

Excerpt from Bloomberg, Nov. 6, 2024

<https://www.bnnbloomberg.ca/investing/commodities/2024/11/06/green-energy-stocks-sink-with-trump-poised-to-win-us-election/>

Clean Energy Shares Tumble as Panic Takes Hold on Trump Win

Shares in clean energy companies plunged after a US election victory for Donald Trump, who has long criticized climate policies as the “green new scam” and has said he plans an array of tariffs that impact the

The WilderHill Clean Energy Index dropped as much as 6.7%, the biggest intraday loss since early August. Solar firms were hit especially hard: Sunnova ... was down as much as 51%, First Solar ... fell ... almost 20% and Sunrun was down as much as 29% in

The selloff was underpinned by a knee-jerk reaction — with much of the investment spurred by Joe Biden’s signature climate law likely to stay in place. While Trump has vowed to dismantle that legislation, the lion’s share of the spending has gone to red and swing states, where many Republican leaders have said they will defend the projects.

“Everyone’s going to try to plumb the moves today for deeper meaning, but this is a highly correlated and panicky reaction,” said

Still, the Biden administration’s Inflation Reduction Act will likely mark the high point for climate legislation for the time being. And at the same time, there’s growing uncertainty over what Trump’s promised tariff campaign will mean for US solar and other renewable companies, which often rely on parts from foreign manufacturers. Trump’s victory also promises to shake up the wider US energy industry, with sweeping implications for fossil fuel production, offshore wind development and electric vehicle sales.

Across the Atlantic, Danish wind firms Orsted A/S and Vestas Wind Systems A/S also slid, as did Germany’s RWE AG and Italy’s Enel SpA.

“Trump back in the White House is not what any clean energy company in the US would want,” said

Even so, ... doesn’t see Trump or Republican lawmakers getting rid of clean energy tax and investment credits as they are widely appreciated for job creation, even in conservative states. “I’m pretty optimistic about the carrots staying in place no matter what,”

...

Profit incentives helped drive the expansion of clean energy even during Trump’s first term, despite his distaste for wind turbines and EVs.

Wednesday’s selling also can be seen as a correction after a recent rally. The WilderHill Clean Energy Index was up about 9% from the end of August through Tuesday’s close.

Fundamentals like revenue and profit outlooks don't change for many clean energy companies under a Trump presidency, said "The future of solar, the future of wind, in my opinion, looks pretty bright," he said, adding that the rapid buildout of those technologies are driven only in part by federal policy.

The sector as a whole suffered in 2024, with many investors pivoting away from green holdings to move into other areas of growth, such as artificial intelligence. And meanwhile, hedge funds have backed fossil-fuel investments.

"We expect to see initial sentiment hit across the renewable sector, but expect this to be short-lived as the market would likely take this as a buying opportunity for stocks that already reflect little in way of growth," ... , said in a note.