

Excerpt from Barron's, November 14, 2023

Solar and Wind Stocks Rally on Interest-Rate Hopes

Clean-energy stocks soared on Tuesday after the latest government statistics [showed that inflation is cooling](#). Lower inflation could lead the Federal Reserve to stop raising interest rates, and make it cheaper to borrow money for new solar, wind, and electric-vehicle projects.

The 10-year Treasury yield dropped 0.19 percentage point to 4.44% on Tuesday, its largest decline since March. It is a clear sign that traders are betting on lower interest rates.

Clean-energy investors cheered the news. The [Invesco WilderHill Clean Energy ETF](#) (PBW) was up 8.2%, its best performance in a year.

Solar-equipment makers ... and ... rose 16% and 11% respectively. Solar developer ... was up 19%, while the wind developer ... was up 9%.

It has been [a miserable year](#) for all of those companies, and Tuesday's gains still leave them down badly for the year. The clean-energy ETF is down 30% in 2023.

But the rally does show just how much interest rates have been weighing on the names. It is giving investors hope that lower rates will bring the stocks back from their slumps.

Clean-energy projects demand large upfront investments that become much more costly when interest rates rise. High rates are one reason wind installers have struggled to build large turbine projects in recent

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