

Excerpt from ETF.Com, April 3, 2023

<https://www.etf.com/sections/features-and-news/will-opecs-output-cuts-boost-clean-energy>
also, Yahoo Finance, <https://finance.yahoo.com/news/opec-output-cuts-boost-clean-193000407.html>

Will OPEC's Output Cuts Boost Clean Energy?

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Clean energy ETFs were down in Monday trading, but not as dramatically as ... was up. As of the end of March, ... was down 4.3% year to date after more than doubling over 2022 and 2021, while the ... and the **Invesco WilderHill Clean Energy ETF (PBW)** were up 6.4% and 6.7%, respectively, according to

... PBW has \$732.9 million in assets under management. They are respectively the second-largest and fourth-largest renewable energy ETFs currently trading. PBW, which rolled out in March 2005, is the oldest U.S.-listed renewable energy ETF.

Conventional wisdom generally holds that as fossil fuel energy's costs go up, alternative energy stocks tend to perform better. Still, in 2022 and 2021, conventional energy stocks posted outsized positive returns, while ... and PBW posted negative returns both years, though ... performed far better than the broad U.S. market in 2022.

A Boon to Alternative Energy?

... head of thematic & specialty product strategy ... believes that OPEC's recent production cut will encourage the transition to renewable energy.

"President Biden and the EU came out and basically reminded the world of the need to advance their efforts and reaffirm that clean energy adoption is going to be critical for enhancing energy security," he said of the U.S. and Europe response.

... further notes that consumers appreciate the recent trend of lower oil prices amid continuing concerns about inflation. Inflation puts pressure on the clean energy ecosystem, he observes. "If you see these really low prices go up, I think you may start seeing more consumers start recognizing—and maybe embracing—renewable energy," ...

He believes demand will increase, but that the big issue will be around raw materials, such as lithium, an element that is central to the technologies driving the transition to a low-carbon economy. For example, China is a key producer of lithium, which has created a tricky problem when it comes to providing low-carbon technology.

"I think [we're going to see] these geopolitical pressures that may exist in the near term. Although we've seen quite a strong run-up [in clean energy], we may see some more sideways movement in the near term as we figure that out. I think, overall, the trend should continue," ...

He says he believes OPEC+'s actions will ultimately be a "net positive" for clean energy, with inflationary pressures causing a bit of a headwind.