

# BBGI CLEAN ENERGY 100 INDEX

USD

A BBGI exclusivity since 1999

January 2021

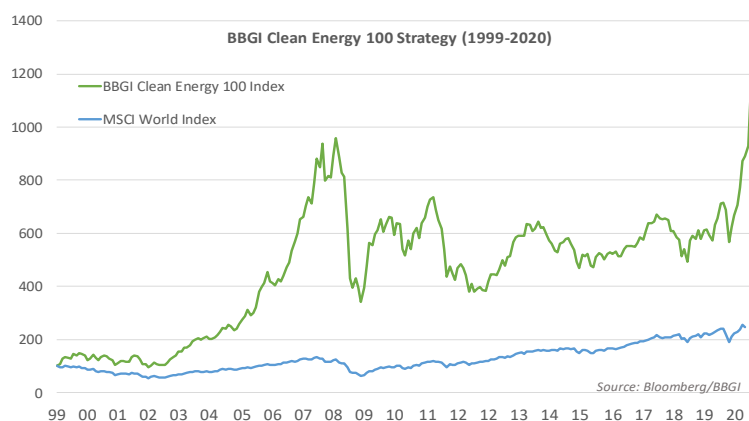
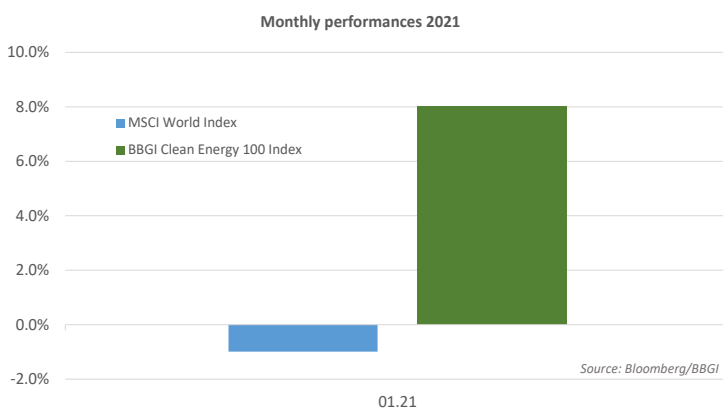
**The surge in interest in renewable energies did not dry up in January.**

	Jan.	YTD
<b>BBGI Clean Energy 100 Index :</b>	<b>+8.01%</b>	<b>+8.01%</b>
<b>BBGI Solar Sector :</b>	<b>+9.45%</b>	<b>+9.45%</b>
<b>BBGI Wind Sector :</b>	<b>+2.51%</b>	<b>+2.51%</b>
<b>BBGI Biofuel Sector :</b>	<b>+12.62%</b>	<b>+12.62%</b>
<b>BBGI Energy Efficiency Sector :</b>	<b>+7.63%</b>	<b>+7.63%</b>

## Evolution of indices:

The current popularity for renewable energies is unprecedented. Indeed, in the year 2020 a total of 501.3 billion dollars have been invested in the ecological transition worldwide, a figure that is +9% YoY higher than in 2019, despite the economic shock caused by the global pandemic. The investment in renewable energy more specifically is the most important sector (303.5 bn/\$) and is increasing by +2% YoY. Next comes the electric mobility sector, which has attracted \$139 billion in investment, represented by flagship firms such as Tesla and less publicized players such as Volkswagen. Other less visible categories are also rising sharply, such as heat pump installation, which is up 12%, and carbon capture technologies, which have attracted more than a third of the world's investments, 3 bn/\$ (+212% YoY), a technology that is still not widespread, but which should smooth the transition towards the production of carbon-neutral hydrogen that is essential to the decarbonization of our societies. China is the world's largest investor (135 billion) but Europe seems to be at a turning point, helped by the Green Deal and accommodating policies. Indeed, it is increasing its spending by +75% to reach 165 billion in 2020, an amount superior to that of the United States.

The 4 components of the BBGI Clean Energy 100 Index start the year 2021 with an increase for each sector. The solar energy sector, which delivered the best performance in December (+17.57%), is on track for its upward trend throughout 2020 and is up +9.45%. The wind energy sector is up +2.51% after a positive double-digit performance at the end of last year. The energy efficiency segment recorded a further gain (+7.63%). In January, the biofuels sector performed well with a very strong increase of +12.62%.



The systematic diversified strategy of the BBGI Clean Energy 100 Index generated an annualized return of +13.26% since 1999.

# Commentary by sectors:

## Solar : +9.45%

The solar energy sector once again achieved double-digit growth to start this year 2021 (+9.45%). Indeed, the segment was benefiting in January from good market fundamentals such as the drop in battery costs inspired by the growth of electric vehicles and Tesla in particular. This opens up new storage possibilities for solar suppliers and installers. In Europe we are seeing a decline in nuclear power generation capacity and coal-fired power generation capacity in 2021, which is expected to continue to shrink due to government ESG impulses major players such as **EDF** and **Enel** could seek to counterbalance this disparity by accelerating the deployment of solar infrastructures in both Europe and North America.

In Europe, the installation of solar power generation facilities exceeded those of wind power for the first time in 2020, and this phenomenon could very well continue in 2021. These fundamentals have particularly favored the top performer in the solar segment in our index, the American: **SunPower**. In January, the company made an exceptional gain of **+110.65%**. **SunPower's** clearer operational structure after the separation of **Maxeon Solar Panel** places the firm in a high-growth segment such as residential installations and battery storage while maintaining the efficiency of **Maxeon's** solar modules for panels. These, coupled with digitalization caused by the pandemic, have increased margins and boosted the price of the solar giant.

## Biofuel : +12.62%

In January, the biofuel sector performed well and jumped by +12.62% and achieved the best performance of the month and the best start of the year 2021. The prospect of economic and transportation recovery thanks to the vaccine campaigns supports the anticipation of a return in demand for fuel, but the prospects for short-term improvements remain fragile. The sector's key asset is the ability of major players to diversify their activities. This is the case of the best "performer" of the month, the **American Green plains**, who achieved an excellent performance of **+45.86%**. The biofuel heavyweight has shown remarkable agility in shifting its business to industrial alcohol production and overweighting its non-ethanol activities, as shown by the recent sale of two production sites and increased investment in research and development. The recent acquisition of equipment supplier **Fluid Quip Technologies** provides an indication of the path management is taking, accelerating the production of high-protein grains and investing in new sugar production capabilities.

## Energy efficiency: +7.63%

In 2021, the energy efficiency sector (+7.63%) saw its range of titles expand to include a new sector, that of hydrogen. Indeed, hydrogen produced by electrolysis using an electric current produced by renewable energy sources will ultimately be indispensable to ensure the decarbonization of our societies and economies. As the cost of producing green hydrogen is still too high in the short term, it is a so-called blue hydrogen, created using hydrocarbons such as natural gas, coupled with carbon capture systems, that will ensure the transition. The hydrogen that is produced in this way will be used as a means of energy storage in fuel cells capable of transforming the element back into electrical energy by releasing only water. These are the technologies that are mastered by certain avant-garde companies such as the American company **PlugPower**, one of the world leaders in the sector, which is extremely well positioned and has achieved a spectacular **+86.29%**.

## Wind : +2.51%

The wind energy sector generated a performance of +2.51%. Demand continues to recover for turbine suppliers, orders are up thanks to the recovery of demand in Europe and new markets such as Brazil and India, demand from emerging markets which should intensify during 2021. The new **5MW** high-efficiency turbines were the main catalyst for these orders. Asia is not to be left behind, as it also hosts a very buoyant market for renewable energy. In China, **138bn** was invested in green energy, part of which will have been used to install 71.6 GW of wind power. The best performer in this segment in our index is **Datang Renewables**, which gained **+36.89%** on the stock market thanks to very good results in Q4, including an increase in the production capacity of its wind farms of **+18.2%** YoY.

