

## >: An "Alternative" Way to Profit

Wednesday, April 30, 2008 / Wayne Mulligan

As I was taking my daily "stroll" through TickerHound.com, I came across a question on a topic that I've been extremely interested in lately: *Alternative Energy*

### The Big Picture

We all know that we're at major crossroads both from a political and economic perspective right now. The United States and our allies abroad have become increasingly dependent on foreign oil - this puts us in an extremely vulnerable position from a geo-political perspective.

How can we continue to exert influence and authority abroad if we're constantly at the mercy of a market we have very little direct control over?

Combine that with the growing call-to-arms of the Green movement and it's easy to see why there's such a big opportunity brewing in alternative forms of energy.

The U.S. and many other countries around the world are (as my grandfather would say), "backing the truck up" and pouring money into this sector right now. There's a tremendous opportunity here for the investors who play the sector right. That's why I was so happy to see someone ask this fairly straight forward question on TickerHound [link to the original question: How the hell do some good alternative energy stocks??](#)

While this sector is still considered to be in its earlier (read: riskier) stages - meaning, some companies will stick around and others will fold - I feel that if we pay attention to the fundamentals we can still find great companies, trading at reasonable valuations that have a high degree of succeeding and being one of the companies that will "stick around" and show investors some handsome profits in the interim.

One of my favorites at the time being is, Trina Solar (NYSE: TSL). This company is based in Changzhou, China and manufactures and sells solar modules to countries around the world.

While we may be going through a tough time in the market here in the US, things aren't so bad on the other side of the pond. The fact that Trina sells much of its products into European countries like Spain, Germany and Italy, makes this writer very happy.

### Look at the Numbers

So the big picture/macro story is there, now let's take a look at how this company has been performing from a financial perspective.

2006 revenues were about \$114 million - *not bad*.

2007 revenues more than doubled to \$301 million - *even better!*

And the most recent quarter showed gross revenue of \$101 million - which is nearly TRIPLE what the company did in the year-ago period.

So the top line growth is certainly here, but what about the bottom line?

Well, the bottom line numbers are looking even better. Due to some favorable shifts in the supply of polysilicon (the raw material used to build solar panels) Trina was able to expand their profit margins and returns on equity in the most recent quarter. The company showed a 40% increase in net profit margins, putting it at about 15% and its Return on Equity jumped to 17.5% - a BIG improvement by anybody's yardstick.

And the market has been rewarding Trina handsomely for its performance - the stock is up 50% within the last month but it still has a long way to go before it reaches the 52-week high it previously set back in July.

So for me, this is definitely the company to look at further if an investor were looking for a long term play in a market that's just beginning to take off. The macro picture is firmly in place, the company is showing some strong signs of growth while continuing to improve its fundamentals and the stock still seems to have some upside in it.

[Click here](#) to give your 2 cents on the Alternative Energy sector or to read some of the other answers people left on TickerHound.com

### The TickerHound Tape

Well, last week I introduced a new feature to the TickerHound community - [Invite a Friend](#)

. I'm happy to say it's pretty obvious the feature is being used considering all of the new members we've gotten this week... so I want to extend a very big THANK YOU, from the bottom of my heart, to everybody who invited their friends, family and colleagues onto the site.

I hope everybody continues to pitch in and continue to share TickerHound with others. This market is a tough one to be in right now, so the more

people we have coming to the site each day to help teach and to learn, the easier it'll be to weather the coming storm.

[Click here](#) to invite a few people to come join us today.

### **Top 10 TickerHound Questions**

1. [What economic indicators should I be looking at if I trade oil?](#)
2. [What is your take on gold. Is it a good investment as a hedge on the dollar?](#)
3. [I am just getting started investing and am wondering if a MMA is the best place for my emergency funds.](#)
4. [How do you determine where to put a stop loss?](#)
5. [I am new in this area and I want to Know about Options. Is there one \(or more\) short, easy and very simple?](#)
6. [Yahoo's earnings beat expectations - where does this leave Microsoft?](#)
7. [How much money does one need to start day trading in order to make a weekly pay check of \\$100-\\$300?](#)
8. [How long does it take to get a brokerage account up and running?](#)
9. [Is there any advantage in owning a Mutual Fund vs. an ETF?](#)
10. [Seems like the UK is going through its own mortgage meltdown now - which countires are also vulnerable?](#)

### **Last Week's TickerHound Challenge**

All I have to say is WOW!

We received a *record number* of responses to last week's TickerHound Challenge!!!

I couldn't believe the amount of top-notch stock and sector ideas I saw coming out of the TickerHound community this last week... it was simply amazing. Thank you for stepping up and putting your best foot forward here.

And while I think everybody who participated is a winner, I can only give away bonus points to a few people.

However, there was one question that I don't think anybody answered quite right, so we're leaving it up for a second week to see who can steal the show...

I had asked, "[Which STOCK are you most Bearish on right now?](#)

" - and while everybody gave great answers for sectors they were bearish on, I don't think anybody gave a specific stock and a reason why they didn't like it. So we'll just add this question to this week's TickerHound challenge.

This time, please include the name of a stock and the reason why you don't like it... heck, include 3 stocks if you're bearish on an entire sector. But make sure you explain why - you know me, there's nothing I like more than a well reasoned case for buying or selling a stock. Very excited to see

what you come back with this week! [Click here](#) to try answering it now.

For the other two questions, the winners were as follows:

For the question, "[Which stock are you most Bullish on right now?](#)", the Best Answer went to one of our Top TickerHounds this week, [Hillcat88!](#) [Click here](#) to check out Hillcat's answer now.

And for the second question, "[Which sectors are you most Bullish on right now?](#)", the Best Answer went to another Top TickerHound, MoresbyChief - [Click here](#) to read which sectors [MoresbyChief](#) thinks will do well in the coming year.

### **This Week's Challenge**

As I said before, since one of last week's questions wasn't quite resolved, I'll be adding it to this week's challenge. So here's your shot at earning **50 Bonus Points**

[Which STOCK are you most Bearish on right now?](#)- [Click here](#) to submit your answer.

[Is technical analysis still applicable in a "news driven" market like the one we're in now?](#)- [Click here](#) to submit your answer.

[What are the pro's and con's of value investing?](#)- [Click here](#) to submit your answer.

Good luck!!



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