

## Solar Stocks Soar On First Solar Deal

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The Associated Press

Solar company stocks shined Tuesday on signs that global demand for solar products is improving.

First Solar Inc. said Monday that it will build two utility-scale plants in Australia. The financial details of the contracts were not disclosed but represent roughly 159 megawatts of production.

The company, based in Tempe, Ariz., said Tuesday that it is holding off on closing a German solar module plant since demand is higher than expected in Europe. The plant was scheduled to close in October. First Solar said in an email that it plans to operate it at full capacity through this October, then wind down production and close it by the end of the year.

First Solar shares soared by \$2.77, or 22.5 percent, to \$15.10 in afternoon trading.

The solar industry has struggled as increased competition flooded the market with products and forced prices lower. That has prompted a number of U.S. companies curb production or even close their doors,

Raymond James analyst Pavel Molchanov said that First Solar hasn't had much good news lately, but called the Australia deal "a break in the clouds". He said the company needed it to meet some of its long-term growth targets.

"The broader significance is that this is a tangible example of First Solar's overseas expansion outside of its bread-and-butter North American utility pipeline," the analyst said in a research note.

Other analysts said they see signs of growth in other parts of the world as well.

"We think there are pockets of demand springing up around the globe," Citi analyst Timothy Arcuri said in a note to clients.

He expects demand in Europe may decline in the second half of the year. But growth in China, Japan and other areas could prove to be significant in 2013.

Here's a look at how some solar company shares fared in Tuesday afternoon trading.

SunPower Corp. was up 40 cents, or 8.5 percent, to \$5.08.

Trina Solar Ltd. rose 54 cents, or 8.8 percent, to \$6.67.

Suntech Power Holdings Co. added 11 cents, or 6.7 percent, to \$1.73.

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The MAC Global Solar Energy Index, which tracks a broader range of solar companies, has fallen drastically over the past few years. It rose about 5 percent on Tuesday.

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