Trina Solar Lowers 3Q Guidance

The Associated Press

Trina Solar Ltd. lowered its third-quarter guidance on Monday, citing industry-wide oversupply and lower prices.

The Chinese solar panel maker estimates shipments in the third quarter between 375 and 385 megawatts, down from previous guidance of 450 to 480 megawatts. It also expects gross margin will be between break-even and 1.5 percent, below the prior guidance for gains in the middle single digits. The company said margins were squeezed by anti-dumping duties in the U.S. and an inventory write-down.

Trina Solar and other solar companies are experiencing a glut of supply in the market, exacerbated by a flood of products from China. The Obama administration upheld tariffs on Chinese solar panels last week. Oversupply has driven down prices and hit earnings for solar companies around the world.

Trina said Thursday that its sales during the period were hurt by the supply-demand imbalance, high inventory and "irrational pricing practice by some competitors".

Trina Solar said in September that it was cutting an undisclosed number of jobs as part of a broader cost-saving measure. It also has said it will trim operating expenses and restructure its business. The company reported its fourth straight quarterly loss in August. It expects to report full third-quarter results on Nov. 20.

Trina Solar shares fell 1 cent to $3.64 in midday trading. The stock has lost nearly 50 percent of its value in the last six months.

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