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http://www.forbes.com/2008/12/12/ormat-first-solar-pf-ii-in_jh_1212options_inl.html?partner=yahootix

Options Watch

Green Energy Slips Into Reverse Gear

Falling oil prices have driven shares of alternative energy names lower. You can still make money on the short side.

As a wise amphibian once said, "It's not easy being green." Kermit should take a look at the carnage in the alternative energy space to get a look at true hardship.

For instance, the **PowerShares WilderHill Clean Energy** (amex: [PBW - news - people](#)) exchange-traded fund (ETF) has plunged more than 70% so far in 2008, vastly underperforming the S&P 500 Index's (SPX) loss of more than 40% for the same time frame. During the past 60 trading sessions, the PBW has underperformed the struggling broad-market indicator by 31% on a relative-strength basis.

Furthermore, the ETF has been plagued by overhead resistance at its 10- and 20-week moving averages, which have pressured PBW steadily lower since the beginning of the year.

For the record, the PBW seeks to replicate the WilderHill Clean Energy Index, which is designed to deliver capital appreciation through the selection of companies that focus on greener and generally renewable sources of energy and technologies, according to fund manager Invesco.

Despite this poor [price action](#), investors remain heavily bullish toward the alternative [energy sector](#). PBW's Schaeffer's put/call open interest ratio (SOIR) of 0.27 indicates that calls nearly quadruple puts among near-term options. This ratio also ranks below 74% of all those taken during the past year.

Additionally, data from the International Securities Exchange (ISE) and the Chicago Board Options Exchange (CBOE) reveals that this bullish sentiment could be far from fading. Currently, PBW's ISE/CBOE call/put ratio arrives at a whopping 101.30, as calls bought to open on these exchanges far exceeded puts bought to open during the prior 10 trading sessions. Additionally, this ratio ranks above 94% of all those taken during the past year. This rising optimism on a sector locked in a technical downtrend has bearish implications from a contrarian perspective.

To take advantage of an extended decline in the ETF, options players should consider the March 9 put.

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