Battery Company Stocks

Harnessing Billions in Battery Spending

As cleantech continues to entrench itself in the energy world, much more attention will be placed on the battery sector.

The need for advanced batteries has always been glaringly apparent. How else are we to get solar energy at night or wind energy without a breeze?

But until now, there really hasn't been enough clean energy capacity to worry about storage. Not only that, but capital requirements for clean energy projects have been so high that adding a storage system has been considered a luxury.

If intermittent sources of clean power are ever to account for a significant percentage of the global mix, batteries will have to take center stage.

And that's just the clean energy case for batteries.

There's still an entire vehicle market to be captured as the long transition from internal combustion engine to electric motor ensues.

The potential for this market is so big that a recent Piper Jaffray research report noted: "The total available market for energy storage will be at least $600 billion over the next 10-12 years even if just 1% of the total worldwide stationary energy generation market adopts some form of energy storage for stationary power."

Catching a Quick Charge

You read that right: $600 billion if just 1% of demand is met.

Stocks will go crazy with that much cash on the table. And in all likelihood, the market will be in the trillions of dollars because much more than 1% of demand will be met. It has to be.

I've been beating the battery drum for over a year now, since the stimulus awarded $2.4 billion to fund advanced battery projects.

Some of that money went to publicly traded companies like UQM Technologies (AMEX: UQM) and Johnson Controls (NYSE: JCI), which made it easy for my premium readers to profit.

There's been a big push for batteries in China as well, so profits from Hong Kong Highpower (NASDAQ: HPJ) weren't hard to come by either.

I've taken serious profits from each of the battery companies shown in the chart below:

And this is only the beginning of a decades-long theme that will have daily profit implications.

Valence Technology (NASDAQ: VLNC) just recently made big announcements in both battery segments: grid storage and automobiles.

First, the company announced it will "provide the safe lithium phosphate energy storage systems for the new plug-in electric Mercedes eVito Taxi." They will become London's default taxi; the fleet will be in place by the 2012 London Olympic Games.

The next day, Valence was selected to be the "residential/community battery technology provider for the first smart grid solar powered residential development in Texas."

The stock went up more than 40% in two days on the news:
The Next Battery Winners

Taxis in one city, smart grid in another... and a 45% two-day gain.

Expect that to happen more and more frequently as the market realizes how crucial batteries are and will be.

Hundreds of cities will adopt hybrid taxi fleets. New York, San Francisco, Chicago, and Vancouver are already headed in that direction.

Hundreds of cities will also adopt smart grid communities. Utilities are already deploying large-scale tests in Austin, Boulder, Boston, Berkeley, and more.

And there will be plenty of companies - like Valence Technology - on the receiving end of those lucrative contracts.

One up-and-coming Chinese company is a sure bet to get a good number of future battery deals. The company has already captured the lion's share of the small lithium-ion battery market in China, and they're quickly gaining market share in the hybrid auto sector.

Soon, they're hybrid will be on sale in Europe and the United States. And that's when the share price will soar.

The stock has gained several hundred percentage points on its Chinese business alone. But with global sales about to commence, and Buffett already loading up on shares, the company will be a household name in no time.

The company has gone on record saying they'll be bigger than Toyota by 2025.

You'll want to know all about them before that happens...

Call it like you see it,

Nick

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