Alternative Energy ETFs Could Rally Into Year-End

There is no denying that nearly any ETF with the alternative or clean energy labels is among this year's best sector funds. The proof is in the pudding. Of the top-10 non-leveraged sector ETFs this year, at least five have "solar," "wind" or "alternative energy" in their names.

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The clean energy sector has also gathered support based on high gas and oil prices. Further issues surrounding global warming and high levels of carbon and greenhouse gas emissions have continued to boost the sector.

With some of the gains posted by alternative energy ETFs this year, additional significant upside may appear hard to come by, but the opposite may actually be true as at least one strategist sees a pair of clean energy funds – the \$75.6 million ... and the \$76.1 million PowerShares Global Clean Energy Portfolio (NYSE: PBD) – rallying in the fourth quarter.

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PBD and ... have not been short on catalysts this year. The two are up an average of 33%. PBD, the global play of the pair, allocates about 23% of its weight to emerging markets, including an almost 13% weight to China. China is not only looking to reduce its massive pollution footprint, but the country has played an integral in the resurgence of solar ETFs this year because Beijing has provided financial support to Chinese solar firms that were previously on the brink of collapse.

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