Excerpt from 24/7 Wall Street, June 7, 2026
https://247wallst.com/investing/2026/06/07/pbws-34-year-to-date-gain-masks-a-brutal-five-year-pattern-every-rate-cycle-repeats/

PBW’s 34% Year-to-Date Gain Masks a Brutal Five-Year Pattern Every Rate Cycle Repeats

- PBW crashed 11% after May payrolls doubled consensus at 172,000, spiking the two-year Treasury yield to a 16-month high of 4.16%.
- ENPH sank 18% while FSLR dropped 11%, with cash-flow-negative names hit hardest as rising rates crushed long-duration equity valuations. ....

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.... PBW fell roughly 11% on June 5, 2026, closing near $41 after starting the day around $46, and the cause sits one layer up the macro stack from anything to do with panels, inverters, or hydrogen.

The trigger arrived before the open. May nonfarm payrolls came in at 172,000 against a consensus near 80,000, which pushed the two-year Treasury yield to 4.16%, a 16-month high. The 10-year was already elevated, sitting at 4.47% and ranking in the 93rd percentile of the trailing 12-month range, with a peak of 4.67% on May 19, 2026. The yield curve, measured as the 10-year minus the two-year, compressed at the same time. The 10Y/2Y spread closed at 0.38% on June 5, down from 0.74% in early February 2026. That four-month flattening is the macro fingerprint left on PBW’s tape.

The damage inside the fund was not evenly distributed. Enphase Energy, the residential inverter name, fell roughly 18% on the day, from about $68 to $56. First Solar, the utility-scale module maker with the best balance sheet in the group, dropped about 11%, from roughly $315 to $279. The names with negative free cash flow, the names that need to issue equity or debt to grow, were hit hardest. The name with a real backlog and federal tax credits already monetizing got hit roughly in line with the index.

Why a Bond Move Re-Rates a Solar Fund

PBW is an equal-weighted basket of clean energy names spanning solar, hydrogen, EV-adjacent, and grid tech, most carrying negative or low free cash flow and elevated leverage. That is the textbook definition of a long-duration equity. The value of each holding lives in cash flows that are supposed to arrive in 2030, 2032, 2035. ....

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