otp Global Markets

Trading idea

03.10.2025

IQQH ETF long

NEW Stop: 7.7 EUR

IQQH ETF: target reached, moving the stop level

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After our trading idea formulated in early July for the IQQH ETF, which tracks the renewable energy sector, reached its target level yesterday, we would move the stop level sufficiently close to the price so that we can secure most of the substantial (17-18%) profit achieved in a short period of time. We remain optimistic about the long-term prospects of the sector, and it is worth maintaining exposure at the portfolio level. The current move is simply explained by technical trading considerations (and the shorter time horizon of our trading ideas).

IQQH ETF, daily chart

TradingView

In line with our earlier expectations, the sector began to rise following the Trump administration's July legislative package, as this removed an important regulatory uncertainty that had previously deterred some potential investors. On the other hand, the 2021 renewable energy bubble had burst in recent years, so valuations were not high, while sentiment remained negative, leaving room for an upturn. The US Federal Reserve's interest rate cut in September provided further tailwinds for this capital-cost-sensitive sector.

In the longer term, we remain optimistic about the prospects for renewable energy production, which is one of our favorite themes in our investment strategy, but minor corrections are of course possible, so it is worth considering the technical picture for a shorter-term trading approach.

Technical picture: The price has reached an important resistance level by testing 7.81, so we have two options:
1. Close the position and realize the profit (approx. 17-18%).
2. Narrow the stop and allow further room for the upward potential.

The purple band on the chart indicates the zone where there has been light trading activity previously. In such areas, the price usually moves more easily, so there may be significant upside potential in case of further upmove. Stronger resistance is only expected around 9.4. We therefore narrow the stop to 7.7, sacrificing approximately 2% of the current trading profit, in order to take advantage of a possible further upmove.

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