



Sierra Wireless Inc. Offers Great Exposure to the IoT Sector

Description

As a society, we are rapidly moving toward a scenario where everything is connected to the Internet. And I don't just mean your computers, tablets, televisions, and phones. Imagine a world where your kid takes the last bit of milk and your refrigerator could send you an alert letting you know.

While it might sound farfetched, this is actually a world we are moving toward. **Google Inc.** already has thermostats that can be controlled via mobile phones. And there are going to be other cases that pop up in the coming months and years.

Sierra Wireless Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is one company that is banking its future on the Internet of Things, hoping that all of these newly interconnected devices will require an additional layer of security. The way Sierra's system works is that all communication routes through a cloud network before reaching the device. Whereas my computer talks directly to my router, in this scenario, my computer would first hit the cloud and then hit my router.

The reason Sierra does this is to minimize security holes. The company can invest far more in keeping the network safe than the average person can. But more than that, if someone were to gain access to my computer, they wouldn't immediately have access to the entire network. If someone hacked my coffee pot, it wouldn't mean instantaneous access to my bank records.

Already, Sierra has partnerships with companies like **Tesla Motors Inc.**, **Honeywell**, the **Ford Motor Company**, and **General Electric**. These are big juggernauts all looking to have some part in the coming Internet of Things revolution. They say that the company one keeps is a testament to the kind of person they are. Sierra Wireless keeps some pretty good company.

But should you buy?

The simple reality is that we are moving toward a place where everything is connected. And in this world, companies like Sierra Wireless are going to be needed.

Based on the current price of the stock, I think it's an attractive buy. However, the stock hasn't shown signs of hitting a support yet, so it might drop even more. It wouldn't hurt to find that support, have it

tested, and then initiate a position. Or, you could start buying now and then lower your average cost basis.

Either way, there are two outcomes for Sierra. The first is that it really gains significant market share and becomes a much larger company than it presently is. The second is that a larger technology company comes along to buy it, taking its technology to make a much stronger IoT division.

Or perhaps there is another Canadian company that might want to join forces with Sierra to create a security behemoth that even the largest technology companies can't compete with.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:SW (Sierra Wireless)

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/08/26

Date Created

2015/05/20

Author

jaycodon

default watermark

default watermark