Take Advantage of Automation With These 2 Stocks

Description

In the summer of 2016, the Canadian Federal Government was warned by experts that the economy could lose between 1.5 million and 7.5 million jobs in the years to come due to automation.

The robotics market is expected to grow to over $40 billion by 2020, and the industry has seen sale of units increase by 48% from 2008 to 2014. Ontario, the most populated province in Canada, has a significant manufacturing base that covers many sectors. Each of these industries will be candidates for transformations in automation in the future.

Let's take a look at three stocks that will benefit from the automation revolution.

ATS Automation Tooling Systems Inc.

ATS Automation Tooling Systems Inc. (TSX:ATA) is a Cambridge-based company that provides factory automation solutions across industries such as life sciences, consumer products, chemicals, transportation, and energy. Currently, the company operates 23 manufacturing plants in North America, China, southeast Asia, and Europe.

The company released its fiscal first-quarter 2018 results on August 16. First-quarter revenues were reported at $264 million, which represented a 1% decline from a year ago, but they beat expectations. First-quarter order bookings saw 11% growth to $266 million, and the period-end order backlog was a record $683 million. Order books are usually a good indication of future revenues, putting the company in a good position for continued growth. ATS Automation still has unused credit facilities of $638.1 million.

First-quarter revenues were brought down by the decline in the energy market as orders were down 67%. The life sciences market saw a 26% increase and transportation revenues grew 25%.

The stock has increased 1.7% in 2017 as of September 1 and 19% year over year. Shares have experienced volatility since the beginning of 2014, but long-term prospects for the company still look very promising when taking order bookings into consideration.

Bank of Montreal

When investors are thinking of automation, it is possible that financial institutions do not come to mind. In 2016, **Bank of Montreal** (TSX:BMO)(NYSE:BMO) became the first of the Big Six Canadian banks to roll out an online portfolio manager, often called a “robo-advisor.” As with many companies today, the move is mainly geared to millennial customers who tend to be more tech-savvy. It provides a technologically advanced option for customers that may have less complex investment needs or wants.

So-called robo-advisors have steadily grown in popularity since the early part of this decade. Robo-advisors are automated investment services that use algorithms to act as a portfolio manager. Coinciding in many ways with the rise of ETFs in contrast to the decline of mutual funds, robo-advisors will also serve as a huge threat to conventional financial advisors and planners. By 2020, BI Intelligence estimates that approximately 10% of all global assets under management will be managed by automated financial advisor applications.

BMO stock has fallen 7.3% in 2017 as of September 1 and 2.8% year over year. The bank is clearly adamant about getting ahead of its competitors when it comes to automated financial advice. I believe that this will pay off big in the future if the bank can remain ahead of the curve in this growing market.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:ATS (Ats)
3. TSX:BMO (Bank Of Montreal)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/06/29
Date Created
2017/09/08
Author
aocallaghan