



This Is the Single Biggest Investment Opportunity for 2018

Description

Stars Group Inc. (TSX:TSGI)(NASDAQ:TSG) is a software company that focuses on the entertainment sector — more specifically the online gambling industry. Stars Group has had more than its fair share of difficulties over the past year, and most investors will remember the company's former name, Amaya.

With the former problems and name firmly behind the company, Stars Group presents itself as a unique [investment opportunity](#) for investors looking at the long term.

Here are a few reasons why investors may want to consider Stars Group.

Online casino and gambling games are still a small segment

Stars Group's games, which consist of both online poker and casino games, constitutes a tiny portion of the potential online gambling market. That share is poised to grow significantly over the next few years thanks to several key points.

The first point is regulation. Many jurisdictions around the world prohibit forms of gambling unless they approved and regulated (and, by extension, taxed) by local or state authorities. Getting that initial approval to operate within a particular jurisdiction is a long process that could take several months, if not longer.

Stars Group already has the approval to operate in 17 different jurisdictions around the world, including parts of North America, Europe, and elsewhere. Depending on the local laws of each area, that approval could be for a small part or region of a country. For example, in the U.S., Stars Group has been approved to operate in New Jersey, but residents of other states are unable to play any of the online games.

Stars Group has applications underway to allow players in several other states to begin playing their games.

Another key point is technology and, more specifically, smartphones. The convenience and opportunity

that smartphones pose is massive, as there are more smartphones than people in many developing nations, and each smartphone is essentially a window into a casino from the comfort of your home.

Seasonal events play a role in gambling, and the biggest event is coming soon

Online gambling is often positioned around large high-profile events where gambling is already prominent, such as sporting events.

In the realm of sporting events, there is no bigger competition than the FIFA World Cup, which is held every four years on a different continent. The competition brings together the 32 best national teams to play for bragging rights and a trophy. The hype and build-up around the event is immense — the qualification process takes nearly two years, as it includes every country on the planet, and the final competition draws in viewership of over two billion people from over 170 countries.

As far as online gambling opportunities go, the World Cup is the biggest event on any calendar, and Stars Group is in prime position to capitalize on it.

By way of comparison, a similar competition is held every four years with just the +50 nations in Europe. Stars Group capitalized on that opportunity during the last Euro competition last summer and saw a both a boost in earnings; it hastened expansion into new markets as a result.

A similar outcome could be expected when the World Cup gets underway next summer in Russia.

In my opinion, Stars Group represents an [excellent opportunity](#) for investors looking to diversify with a tech company and who also want long-term growth prospects.

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