



## 3 Stocks That Could Soar as Automation Picks up

### Description

The McKinsey Global Institute estimated in late 2017 that automation could push over 350 million people around the globe into new jobs. It projected that hundreds of millions more will be pushed out of work entirely due to the shift towards automation. A recent report from PricewaterhouseCoopers predicted that automation will hit in three waves.

The first wave will be the algorithm wave, which will automate simple computational tasks and structured data analysis. The augmentation wave is said to be the second wave, with the automation of repeatable tasks, exchanging of information through dynamic technological support, and unstructured data analysis. The third and final wave will be the autonomy wave, which would involve dynamic problem solving in real-world situations. An example of the third wave is the development and introduction of autonomous vehicles.

Jobs hit the hardest by the first wave are those in finance and insurance, information and communications, and professional, scientific, and technological professions. When the augmentation wave is fully underway, it will impact a broad range of sectors from manufacturing to public administration, and even human health and social work.

It behooves investors to prepare for the [future economy](#) and identify companies that are either aggressively preparing for this future or are in a position to benefit from it. Today we will look at three companies that fit this description.

**Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) is already gearing up for the augmentation and autonomy phase with its recent moves. Chief Operating Officer Mark Little said in an interview that Suncor will see a net job loss of 400 employees, as it will deploy autonomous ore-hauling trucks over the coming years.

Suncor possesses a fleet of about nine of the Komatsu trucks that it has been testing for four years now. The company plans to build a fleet of 150 trucks by 2024. Unifor criticized the move initially but was reassured by Suncor leadership that the company will seek to add jobs in other areas going forward.

**ATS Automation Tooling Systems Inc.** (TSX:ATA) is a Cambridge-based company that designs and builds [factory automation solutions](#). Shares of ATS Automation have climbed 23% year over year as of close on February 7.

ATS Automation released its third-quarter results on February 7. Revenues jumped 17% to \$277.6 million and adjusted earnings from operations grew to \$29.3 million compared to \$22.5 million in the prior year. Order bookings experienced a 10% increase to \$311 million, and it reported a period end backlog of \$689 million — up 9% from January 1, 2017.

**BlackBerry Ltd.** (TSX:BB)(NYSE:BB) has made waves in its transition into a software company with its mobile cybersecurity offerings and its development of autonomous vehicle software. BlackBerry recently signed a deal with the Chinese firm **Baidu Inc.** to jointly develop self-driving vehicle technology. The company also conducted the first Canadian driverless vehicle trial in October 2017.

The autonomy wave is not expected to hit high gear until the 2030s, and progress in Canada for research into driverless vehicles has been slower than other developed nations. This makes BlackBerry an attractive long-term play.

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**Author**  
aocallaghan

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