How to Get Instant Exposure to an Overlooked Billion-Dollar Industry

Description

Health wearables may not strike many investors as being a high-growth investment opportunity. However, according to a *GlobalData* report, the wearable tech industry will improve by 19% a year for the next four years. The logical conclusion, according to the report, is that the industry will wind up being valued at US$54 billion by the end of 2023. This makes wearable tech a target for high-growth investors looking for upside.

There are two clear routes for exposure: invest in the parts and materials that feed the sector and retain a diversified stance with lowered risk, or invest directly in manufacturers of wearable tech. Let's have a look at two stocks that will give new investors in this space the biggest and quickest upside.

Lundin Mining

As a miner of predominantly copper, nickel, and zinc, **Lundin Mining** (TSX:LUN) is a popular choice in the commodities sector of the TSX, and represents a key part of the tech industry. Paying a 2% dividend yield, Lundin covers two bases, with both passive income and capital gains investors having plenty to work with. Indeed, a hybrid strategy of going long with regular payments to sweeten the deal seems a particularly strong play in this space.

Three-year returns of 19.44% beats the industry average, and while the stock may not be the best value compared with its peers (though it's trading a hair's breadth below book value), its position in the copper space makes it a solid play. At the end of the day, Lundin's excellent balance sheet, sturdy track record and moderate outlook make for a strong choice for a commodity of the utmost importance to the tech industry.

Apple

Sales of smartwatches are the key to this explosive industry, and **Apple** (NASDAQ:AAPL) is leading the charge. The stock pays a modest 1.45% dividend yield, though, trading at almost 10 times its book price, it's not exactly good value for money. Compare this with Lundin Mining's P/B of less than book value, and there's a clear winner here for value investors. That said, Lundin Mining's P/E trails is double that of its peers, while Apple undercuts its industry in that regard.

Value aside, Apple isn't looking at high growth and faces stiff competition on several fronts. While the famous FAANG stock has cornered over 50% of the world's market share for smartphones, its entrance into content streaming will put it up against the mighty **Netflix** as well as the media giant **Disney**. With Netflix having successfully disrupted the Oscars and Disney boasting five billion-dollar wins at the box office this year alone, Apple is already the weaker contender in the media race.

The bottom line

Lundin Mining and Apple could be a pair of smart investments for Canadians seeking exposure to a potential goldmine of an industry. Smartwatches are likely to be the major tech product of the coming decade, with wearable devices becoming a huge growth industry. While Apple covers many products that may not afford the same growth, Lundin Mining's exposure to copper may be the better play, given the metal's diverse industrial applications and growing upside potential.

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