



2 Artificial Intelligence Stocks Ready to Roar in 2020

Description

Artificial intelligence is proliferating at a massive speed. According to research firm IDC, global spending on AI systems should hit \$57 billion by 2021. The firm also predicts 75% of commercial enterprise apps will use AI by 2021. Accounting giant PwC believes more than 30% of jobs may face automation over the next two decades.

Nearly every company is on board for faster adoption. According to *Forbes*, “84% of businesses say AI will enable them to obtain or sustain a competitive advantage.” Meanwhile, around 80% of executives believe artificial intelligence will make them better at their jobs and save them time.

Everything from autonomous vehicles to e-commerce platforms will use AI to better compete and grow profits, but some companies have a greater lead than others. If you want to profit from the rise of AI, the following to stock picks will give you direct exposure.

Protecting the surge

Most companies are either creating or using AI. **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) is doing both.

After making its impressive transition from smartphone manufacturer to security software provider, BlackBerry has completely transformed its image. Companies no longer think of BlackBerry as a stodgy consumer company.

Instead, it's a firm that provides next-gen security offerings for rapidly growing verticals like the Internet of Things, healthcare analytics, and — you guessed it — artificial intelligence.

As with any other tech innovation, AI systems will need protecting from malicious attacks. Your computer and phone likely have firewalls and antivirus protections, even if they're not explicitly apparent to you.

The same goes with any other technology, from your smart watch to a commercial airplane. If it runs on software, it's vulnerable to hackers. AI is no different.

Armed with its new Cylance platform, BlackBerry can use its own AI system to protect other AI systems from vulnerabilities. The software is highly differentiated, as it uses artificial intelligence to protect systems *before* an attack even occurs.

As AI tech proliferates, demand for BlackBerry's security suite will mount. It's still early, but this stock has an early lead on the competition and is ready to scale.

Leveraging innovation

If you're bullish on AI, **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) is another ideal stock. A few years ago, it acquired Kit CRM, a virtual marketing assistant that helps sellers better handle time-intensive tasks like digital advertising and email marketing campaigns. Kit uses AI to identify data trends, optimize the user experience, and automate dozens of mission-critical processes.

According to Fool [contributor](#) Chris MacDonald, "The idea of using machine learning or AI to improve upon existing marketing efforts is not new; in fact, **Amazon.com, Inc.** was one of the first companies to produce an algorithm to find what may suit a consumer best based on previous purchases and search history."

What's happened since Shopify made its first AI acquisition? The stock has more than *tripled*, with the company gaining market share nearly every quarter; its software is widely regarded as the best in the industry.

The most important part of AI isn't always the underlying technology, but the volume of data that can be used to train the system. Now armed with a \$50 billion market cap, at least one million sellers, and more than \$100 billion worth of goods sold through its platform, Shopify has the raw data to make any AI system incredibly powerful.

Management has shown an ability to profitably bet on AI in the past, and now that the company has grown even stronger, expect more AI investments from Shopify in the near future.

CATEGORY

1. Investing
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2. NYSE:SHOP (Shopify Inc.)
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