Next-Gen Investing: How to Get Rich off Self-Driving Cars

Description

Yesterday **Tesla** (NASDAQ:TSLA), the Elon Musk-led automotive and energy giant, unveiled its own spin on the pick up truck. Tesla called it the Cybertruck. It certainly boasts an original design, as Tesla reportedly took inspiration from *Blade Runner* and *The Spy Who Loved Me.*

The next generation technology I want to discuss today isn't its cyberpunk style, but the self-driving option.

Purchasers of the Cybertruck in the next decade will have the option of selecting a self-driving package that will run up to $7,000. However, many autonomous driving features are still in development.

Top automotive companies are racing to get this technology road-ready, and investors should be gearing up for the rollout in the coming decades.

The growth of self-driving technology

The CEO of Pony.ai, a self-driving start-up that operates in China and the United States, predicts that fully autonomous cars could be on the road within the next five years.

James Peng says the biggest challenge is how autonomous vehicle will interact with other vehicles on the road. In March 2018 the industry took a step back after a refitted autonomous Volvo struck and killed a pedestrian. It was the first pedestrian fatality from an autonomous vehicle.

Major automakers like **General Motors**, **Toyota**, **Ford**, and Volkswagen have already dipped into driverless technology. However, the biggest player is still **Alphabet**'s Waymo.

This was launched in 2009, first called the Google Self-Driving Car Project and later changed to Waymo in 2016. In late December, Waymo launched a commercial self-driving car service called Waymo One that allows users in the Phoenix metropolitan area to request a pick-up.

Allied Market Research projects that the global autonomous vehicle market will be valued at $556 billion by 2026, compared to its estimated value of $54 billion in 2019, which would represent a CAGR of 39% from 2019 to 2016.

Stocks to target for self-driving car market exposure

Back in the spring I'd discussed why **BlackBerry** (TSX:BB)(NYSE:BB) was a suitable target for investors who were looking for exposure to this developing market.

The company has evolved from a hardware giant to a software company that has moved into the cybersecurity and automated vehicle software development. Its QNX software is already embedded in over 150 million vehicles around the world.

Earlier this month Hyundai Autron selected BlackBerry to power its automated vehicle software. It also secured a partnership with a subsidiary of global auto supplier Bosch Group to develop a secure software platform for next-generation vehicles.

BlackBerry' progress in this sector is one of the reasons I'm unwilling to count out its stock as we head into the final weeks of 2019.

Shares of BlackBerry were still hovering around a 52-week low as of early afternoon trading on November 22. I like the stock as a buy-low opportunity for investors with a long time horizon.

We have covered some of the U.S.-listed options in this article. Alphabet has its promising Waymo program. Ridesharing companies like **Uber** and **Lyft** are also in the process of rolling out self-driving cars in specified areas. Investors should seek out exposure to this explosive market as we move into the 2020s.

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