



Now Is the Perfect Time to Buy 5G Stocks

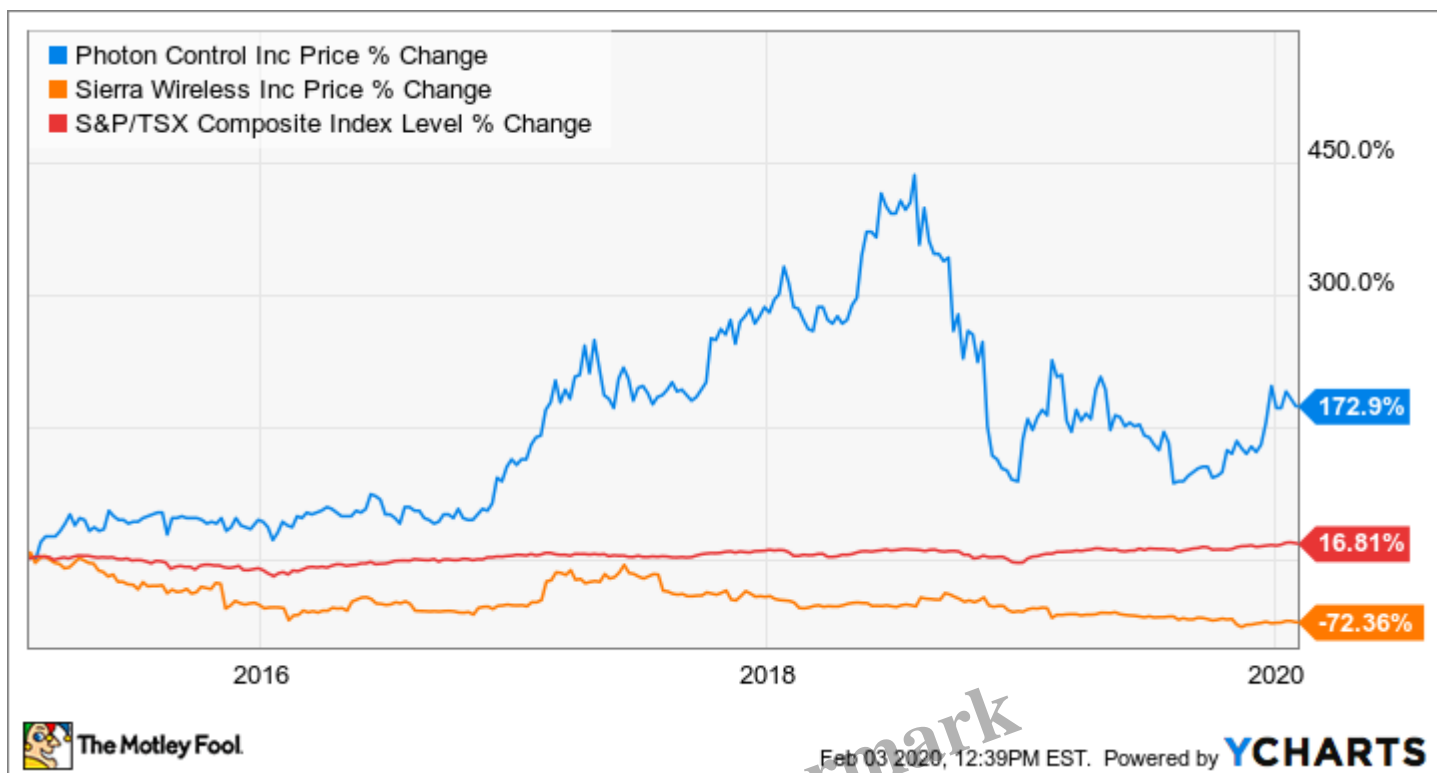
Description

5G technology has the potential to completely change the way we perceive and interact with common technology like the subway system, lightbulbs, and our cellphones. Already, cellphone manufacturers are releasing foldable phones. Further, smart home devices are streamlining our daily routines and household security.

Technological advances like 5G have meaningful implications for your retirement portfolio. In economics, there are always winners and losers. As technology changes, some of today's [major 5G companies](#) will become obsolete while others will capture the consumer spotlight.

You want to ensure that you own the winners in your RRSP 20 years from now, but those may not be today's most successful companies like **Amazon**, **Apple**, or **Microsoft**. For all you know, new technology could very well come along and replace these companies in the next decade.

Thus, you want to invest in [5G suppliers](#) like **Photon Control Inc** (TSX:PHO) or **Sierra Wireless** (TSX:SW)(NASDAQ:SWIR). Sierra Wireless is a riskier (and more expensive) buy than Photon given the volatile relative performance of Sierra Wireless to the **S&P/TSX Composite Index**. Nevertheless, a quickly changing tech landscape over the next decade could very well change all that.



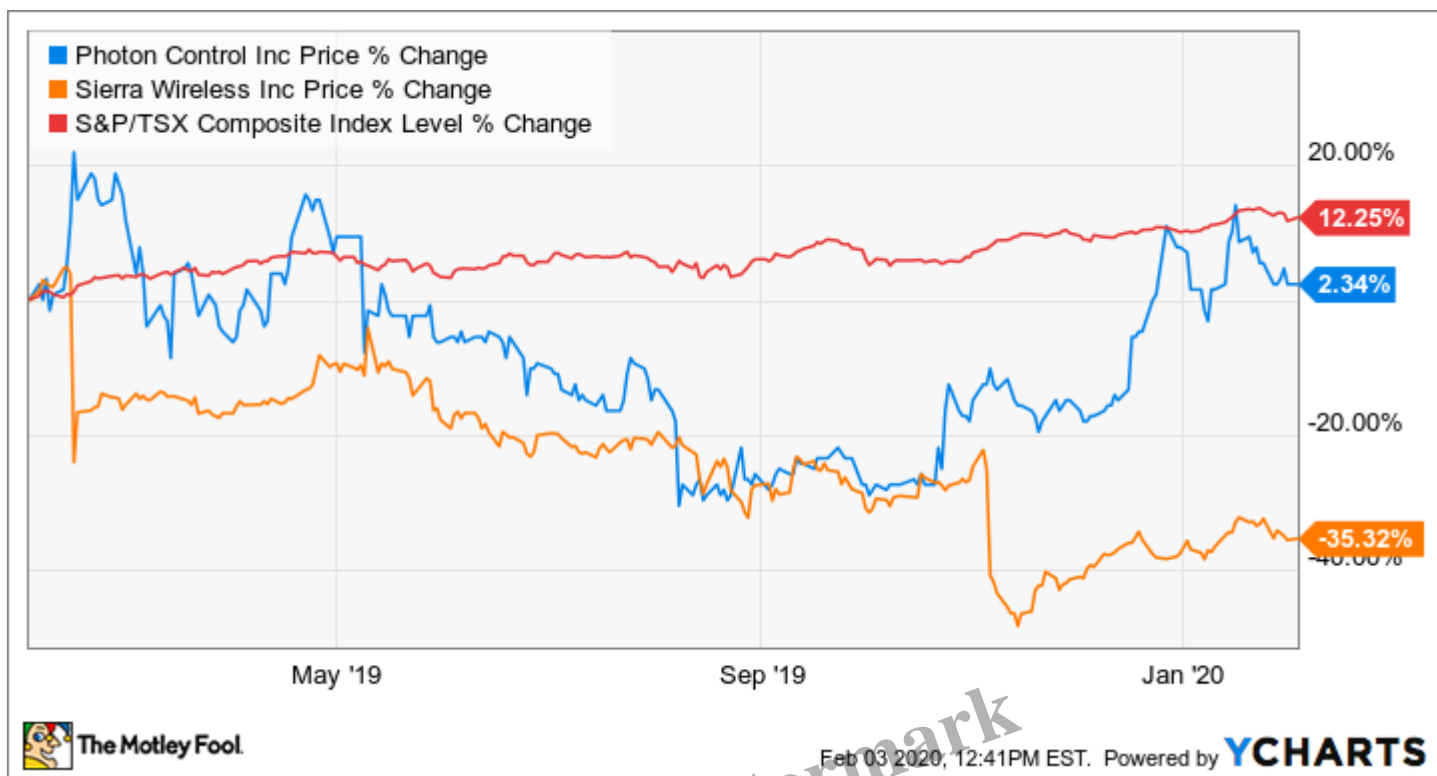
[PHO data by YCharts](#)

Semiconductor stocks are solid 5G buys

Photon Control is an international semiconductor supplier that manufactures optical sensors. These fiber optic sensors can measure temperature in environments that traditionally reduce the life of electronic equipment. Supercomputers, data storage centres, and cloud computing technology all require top of the line temperature control units to cool these powerful devices.

Likewise, 5G towers will require more powerful temperature cooling equipment, including sensors and fans, to protect the new technology. Because there is an international distrust of Huawei, particularly in the U.S., companies like Photon have more profitable business development opportunities in 5G. You should keep an eye on Photon Control's sales contract activities to see if it has what it takes to exit this decade a winner.

At a \$137 million market capitalization and a price of \$1.31 per share, this stock still has plenty of room to grow on the **Toronto Stock Exchange**. Canadians looking for low-cost semiconductor stocks to profit from 5G should definitely consider this option. The downside for a 100-share position is only \$131 at the current price; at the same time, the relatively larger upside makes for a positive overall expected value.



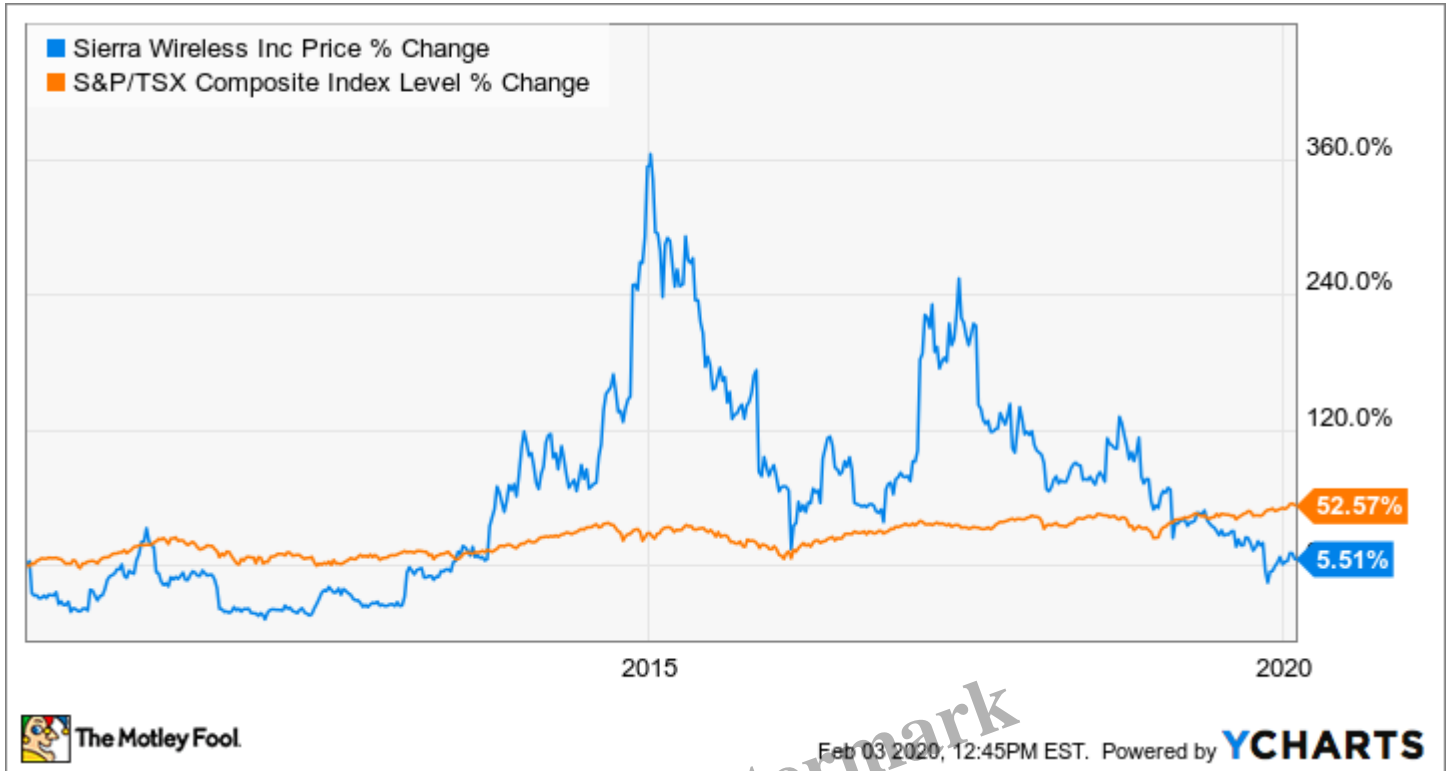
Smart homes are getting more intelligent with 5G

Sierra Wireless is a premier 5G internet connectivity service that provides wireless internet connections over cellular networks. Sierra Wireless FX30 IoT gateway is more dependable because it runs on a cellular LPWA network versus a normal Wi-Fi connection. Cellular connections lose service less often than traditional, stationary Wi-Fi connections installed in the home or office.

These are the reasons Electriq will now use Sierra Wireless technology in its PowerPod home batteries. Electriq wants to provide customers with easy-to-use connectivity systems to automatically run software updates on a cloud-based IT system. Sierra Wireless service will facilitate better communication between the PowerPod batteries and Electriq's mobile energy monitoring applications.

Sierra Wireless offers the best wireless technology for smart home devices. Wireless companies like Sierra have a lot to gain from the intersection of the 5G rollout with smart home devices. Jason Krause, COO of Sierra Wireless, had this to say about how 5G and the Internet of Things (IoT) will impact their business:

"We are seeing a new industrial revolution take place, with the deployment of innovative IoT applications that enable consumers and businesses to monitor, control, and optimize appliances, manufacturing equipment, transportation assets, and other 'things' for the first time."



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TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
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