



# 5 Technology Stocks That Will Power The Next Industrial Revolution

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By Paul Mampilly, Editor of *Profits Unlimited*

**S** OON everything you see is going to become a two-way communication object ... from your car to your shoes to the road you drive on. Data will be pulled out of the pipes you get your water from, your house and your windows. You get the picture.

This is going to happen by embedding everything around you with sensors that measure, monitor and transmit data.

If you have a Nest Thermostat at home, you know how this works. The Nest Thermostat learns your heating/cooling preferences. It learns when you leave the house for work or go the gym, and when you come back.

The thermostat is constantly recording data, and has algorithms inside to help it convert the data into valuable information. So, after a little learning, the algorithm will automatically turn the A/C off in the summer when you go to work and turn it back on to cool the house right before you get home.

In a nutshell, Internet 2.0, or the Internet of Things, is this cycle of shifting to smarter household items that collect data and predict actions. It's a giant Nest Thermostat sucking in data, and then using algorithms to make information out of it to make your life easier.

In a few years, no one will have to adjust a thermostat. It'll be something we stop thinking about. In a few years, your HVAC system at home is going to tell your service person when a part is wearing out, before it happens, because it's programmed with sensors to detect the problem and then report it.

The entire Internet 2.0 opportunity can be seen in this circular loop that I described with the Nest Thermostat.

First, you have a machine or device that generates data. Second, this data is transmitted, stored and then analyzed using algorithms. Once the algorithms find patterns and sequences that are useful and save you time, effort and money, it becomes information that is put to use. This information is used to control the machine or device, without any input or effort from you.

For all this to happen, we need machines and devices that are smart — meaning they can collect and transmit data.

Second, we need networks that can carry this data — the amounts of which are going to be enormous — to a computer storage facility. These are called server farms.

And then we need analytics — algorithms to search through this vast amount of data to find the sequences and patterns — that can be used to make our lives better. This is information. And information is the reason why doing all this makes sense. This information is going to give us more precise answers more quickly for less money than ever. That's going to lead to incredible savings compared to our current methods of finding information today, which are often wrong, slow and incredibly expensive.

# Rise of the Robots

Information is the gold that really drives the entire Internet 2.0 universe.

However, we want to be invested in the entire Internet 2.0 value chain, because the money-making opportunity is so huge in each part of it.

For devices to become smart, they need to be “sensorized.” The stock for this part of the Internet 2.0 chain is in the other special report that came with your subscription, titled: *The Company Leading the \$19 Trillion Revolution*.

So we’re going to go to the next step in the chain — machines. In particular, we want to focus on the most advanced kind of machines that are out there, which are robots.

Robots today are just connected machines. The big difference between the old machines and robots is that the robots can work independently, without human interaction. Our pick for robots is **Teradyne (NYSE: TER)**.

Teradyne is a Massachusetts firm pioneering a whole new robotics field called collaborative robots, or “cobots.” These low-cost, simple-to-program and -deploy robots improve quality and boost efficiency while working by the side of workers. This niche market is expected to soar from \$100 million in 2015 to \$3 billion by 2020. That a 2,900% growth rate!

Teradyne has two main business segments. There’s Teradyne itself, which makes equipment that is used to test whether computer chips, circuits and complex electronic systems are being made to specifications — things that go into everything from our smartphones to the big computers that store your Facebook posts, to big industrial machines that are used to make engines.

Then there’s the company’s Universal Robots division, which makes collaborative robots that can be used side by side with human workers to automate complex tasks.



UNIVERSAL ROBOTS

**Universal Robot UR10 SP Turnkey 10 kg Collaborative Robot System**

**\$56,374.00**

SKU: CR-10AHMA140  
Manufacturer Part #: UR10

The Universal Robots UR10 is our biggest modern robot arm, intended for greater undertakings where exactness and unwavering quality are still of foremost importance. With the industrial robot arm - UR10 - you can mechanize repetitive tasks and assignments that weigh up to 10 kg.

Heavier-weight procedures, such as, bundling, palletizing, assembly & pick and place are all appropriate for the UR10 mechanical robot. With a sweep of motion up to 1300mm, the UR10 modern robot is intended to be more powerful for a broader range of applications.

There are computer chips in every machine that is manufactured today, and Teradyne's equipment helps companies improve their quality and efficiency. The testing division can be broken up into three parts based on what they are used for: system test, wireless test and semiconductor test.

Teradyne is set to benefit from the robotification of the industrial world in two ways.

First, by directly selling robots through its Universal Robots division.

Second, from all the chips, circuits, and computer systems stuffed inside robots. The more robots you need to make, the more components you'll need to test. And testing equipment is the heart of Teradyne's business.

## Self-Driving Into the Future

Another kind of machine we want to be invested in is the connected car. Imagine an industry that's expected to grow 134% every year for the next six years. That's the growth rate experts anticipate from self-driving cars, and there's a software leading the charge. This firm already has a lock on supplying its camera-based driver assistance technology to Tesla, BMW, Honda, Ford and several others. This niche has HUGE profit potential.

To participate in that subtrend within the Internet 2.0 bigger trend, we've chose **Mobileye (NYSE: MBLY)**, which is the leading player in machine vision and learning, as well as data analysis and mapping for connected and self-driving cars.

The company makes the Mobileye 5-Series of products, which give drivers early warnings of forward collisions, potential pedestrian collisions and headway and lane departure warnings. If you have these capabilities in your car, in all likelihood you are using one of their products.

The company also makes Mobileye Shield, which is the most advanced collision-avoidance system available on the market for trucks, buses and commercial vehicles. The Shield can be retrofitted to any vehicle. Eventually, every truck, bus and commercial vehicle is going to be using the Shield system.



The path to self-driving cars runs through Mobileye because its products are making the car smarter and more capable right now. In a few years, these systems will have accumulated so much data about driver habits, accident situations and pedestrian behavior that it'll make self-driving cars a simple step up from current technology.

Already, Mobileye has come up with proprietary software algorithms to figure some of these things out. And its EyeQ chips interpret in detail the visual field of cars so drivers can anticipate possible collisions with other vehicles, pedestrians, cyclists, animals, debris and other obstacles.

When you talk to developers of self-driving car technology, you understand that road signs, traffic signals, lane markings and boundaries all need to be taken into account for smart cars now and self-driving cars in the future.

Mobileye sits right in the middle of that opportunity. The company's products already detect roadway markings such as lanes, road boundaries, barriers and similar items. They identify and read traffic signs, directional signs and traffic lights. Mobileye even creates a car map — a map that a car's systems can fully understand — and use localized drivable paths and visual landmarks. Eventually, it's these roadmaps that are going to give cars the ability to drive themselves.

Mobileye's products are currently being used by 25 global automakers so they are everywhere ... in Asia, Europe and North America.

## A New Manufacturing Shortcut

Now let's go to manufacturing.

Manufacturing is starting to undergo its greatest transformation ever, and this firm is at the forefront. If this field develops as expected, the money here will be breathtaking. Internet 2.0 is going to completely revolutionize manufacturing by changing the way we make things.

One technology that is going to have a huge role in this revolution is 3D printing. And **Stratasys (Nasdaq: SSYS)** has a patented technology that's completely revolutionizing how things are done.



**The Stratasys Objet500 Connex3**

Stratasys makes 3D printers that are being used at companies such as airplane-manufacturer Airbus and car-maker Honda. These 3D printers allow these companies to design a part on a computer using CAD/CAM software. With a button, the thing you designed prints out. From there, you can easily see how the part works and fits. You can then refine it again and again until it's perfect.

This process used to take months. Now it can be done in hours or minutes, depending on the job.

That's not all. Before, you would need to send your design to a separate group that would make this part in a huge quantity. That process would take many months, too.

However, with 3D printing, once you figure out the right design, you can send a file to the factory floor. There, they can just print the part in huge quantities. It's a significant change from the way things were done.

Now companies get better parts, faster and cheaper. And Stratasys is the leading company in making this new way of manufacturing happen all over the world.

## Big Data = Big Profits

Now, I mentioned earlier that the key to Internet 2.0 is taking data and turning it into information. This process of converting data into information is frequently called "Big Data."

Big Data is the fuel that powers Internet 2.0. And there's a \$3 billion firm in Seattle with insanely complex algorithms that can interpret terabytes of data and turn it into useful information. Major corporations need this business-intelligence technology ... and early investors stand to bank a small fortune.

The company is **Tableau Software (Nasdaq: DATA)**. Tableau has three products, as you'll see below. In each of these products, Tableau takes your raw data and then uses algorithms to tease out useful information.

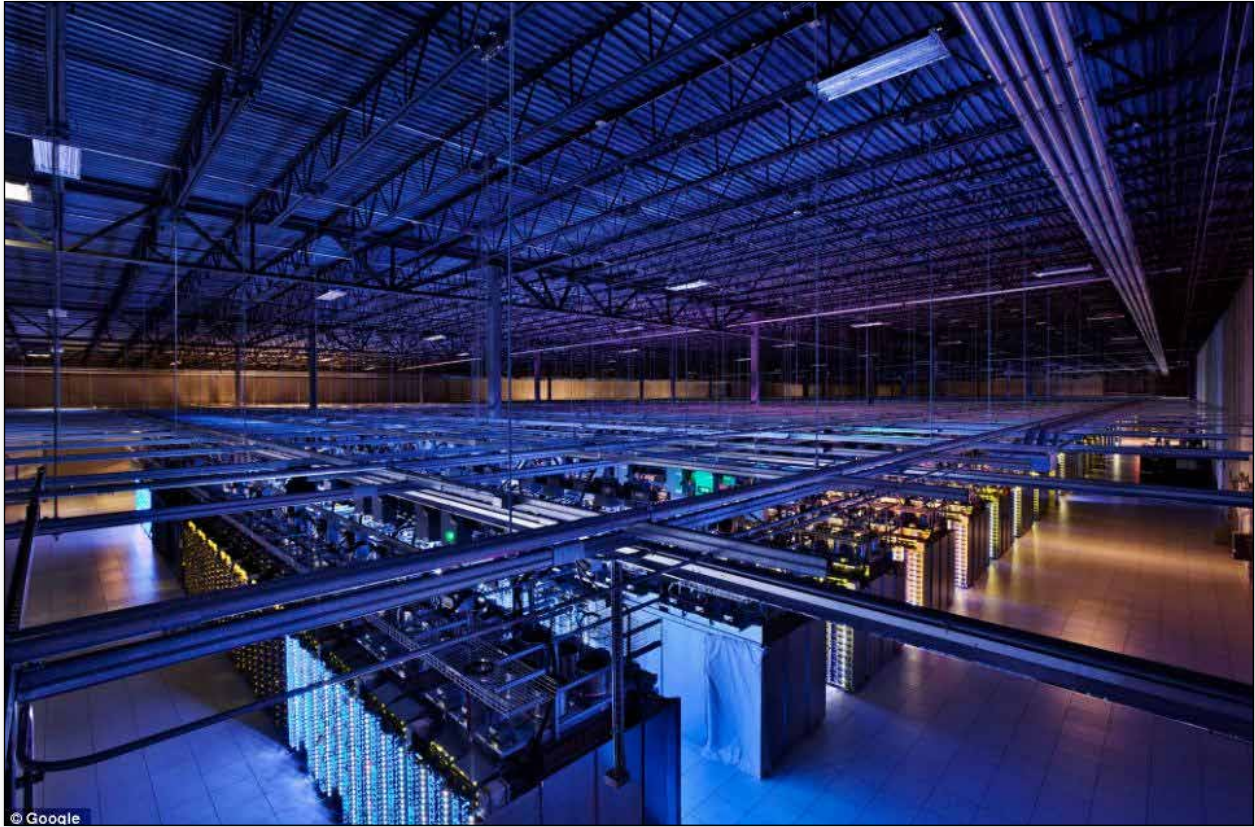


For example, if you were a clothing company, Tableau software can tell you if people in one zip code are suddenly nuts about buying yellow sweaters. Yeah, that's not so impressive. However, Tableau can take the next step and tell you that when people buy yellow sweaters, they also like to buy blue berets, and that you should try pitching these to the same people. Tableau can give you that little extra insight because it has so much data that it can see connections that no human can. And from these connections, it can generate valuable information that people find priceless.

Without question, Tableau is the leader in taking data and turning it into valuable information.

## A Place for Data to Grow

As the world becomes fully "computerized," the data needs to be stored somewhere. Because of this, an entire new business has been created — the business of server farms. We want to be in on this business as it's going to experience exponential growth over the next 10 years.



**Digital Realty (NYSE: DLR)** owns more than 125 data farms around the world, and rents high-demand server space to industry-leading tech companies such as Facebook and Google. If you went into one of Digital Realty's server farms, it would look like this:

In other words, rooms with stacks and stacks of computers. This is where your Facebook posts and Google searches happen. And it's an incredibly important part of the Internet 2.0 chain ... because there's so much data that's going to be generated.

So you can expect server farms such as Digital Realty to keep booming for year and years ahead.

Regards,

A handwritten signature in black ink, appearing to read "Paul Mampilly". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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