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## MARKET MATTERS: Technological advances beg investor attention



Joseph Matthews

We investors are only human. Yet, some of the most cutting-edge technologies gaining ground in the mass market are those that do not require human hands to operate. And

among the most exciting advances are technologies that rely on video imaging, a concept that seems to have more applications than I could have imagined back in the day.

Consider drones, for instance. Originally developed for the military, drones now have myriad civil uses. Just a few of these include monitoring traffic grids and weather patterns, inspections of city infrastructure for maintenance and urban planning, and aiding in search and rescue efforts. Drones can collect geographical, zoological and botanical information ... and now, underwater drones can acquire oceanic data, as well. As more common applications for drone use, such as law enforcement and delivery services, present themselves, companies that manufacture drones and their components may present opportunities for investment.

As another example, astonishing new technology was displayed during the Super Bowl: the 360-degree renderings of key moments in the game. Dozens of cameras had been installed throughout the Houston stadium, allowing viewers to watch the scenes from any angle. The system allowed broadcasters to freeze a frame, zoom in, and rotate it, using algorithms to build scenes in real time. The final effect mimicked a hologram. This ground-breaking technology clearly has implications not just for football, but for the entire world of televised sports, including the Olympics.

When it comes to making investments in this space, it is important to consider a variety of factors. For example, new technologies that emerge from start-ups may suggest too great a risk for many. On the flip side, established corporations developing or acquiring any new technologies are likely to be entrenched in unrelated businesses that represent the bulk of their market share. Investors should therefore investigate the primary business to determine whether it is of interest.

Other branches of the tech revolution include bio-tech, another avenue ripe for investor consideration. Whereas a biotechnology blockbuster often involves a long lead time for obtaining approval, and coming to market, the profitability sometimes is significant ... and includes not only the prospect of a financial return, but of helping mankind.

One bio-tech innovation to emerge from Israel, a nation known for its multitude of cutting edge discoveries, is the ingestible pill camera. Rather than undergo invasive and uncomfortable procedures, patients now can swallow a disposable camera that provides detailed imaging of the intestinal tract. The battery-operated device can spot abnormalities and is used by some 80 other countries in addition to the United States.

All of the technologies above make use of video imaging chips and sensors, which in and of themselves may be product sectors worthy of consideration. The same thing goes for semiconductors, or computer chips, that are essential to virtually every modern electronic device.

Investors have almost unlimited options when it comes to adding technology to their financial basket — whether it is investing in the newest companies that bring the end product to market, or looking at the manufacturers of components used in the end product. Regardless, the demand for these types of products surely will grow in future.

As with all investments, however, keep in mind: past results are never a guarantee of future performance. Investors should discuss the sector with their financial advisors and consider it as part of a well-diversified portfolio.

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