

Interesting indices: Should you invest in tech?

By [Daniel Kibel](#)

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In 2020, big tech companies like Amazon, Apple, Google, several big gaming companies and Facebook skyrocketed in value - largely due to Covid-19.



Source: Image supplied

Having seen the FANG stocks (Facebook, Amazon, Netflix and Google) do so well in 2020, we can only expect it to continue. There is a big 'BUT', though. US congress has already targeted them for being monopolies and far too big. There are threats of taxes and monopoly commissions that could affect them significantly – particularly Google and Facebook

Amazon continues to grow. They are expanding in so many different directions now – like groceries for example. But as Covid dissipates, the big question is, can people wean themselves off online shopping and will they return to the supermarkets and the high streets or shopping malls? It is difficult to predict entirely, as lockdown fatigue may set in in some measure. But the online shopping boom has made convenience an everyday reality, and it's probably unlikely to disappear anytime soon.

Interesting ride

The biggest players in tech have pulled the market up. Google, Amazon, Tesla, Apple and the other mainstays continue to grow their market share. Sales are consistently going up and it is difficult to see past them. But to play devil's advocate, they are potentially also the companies that could fall the hardest. These companies have real, high-stakes incomes and as they use this to build the future, there is a lot to lose too. It's going to be an interesting ride.

As Covid vaccinations roll out, we need to look at a number of things. Not every country has received all their vaccinations. I think we can safely say that South Africa won't have everyone vaccinated by the end of the year. This will probably apply to the rest of Africa, parts of Asia, certain parts of Europe and South America as well. This will have a knock-on effect in terms of big tech performance. We'll probably see the big players continue to grow. Diversification, mergers and acquisitions will be on the menu because there is a lot of opportunity to expand into new products and markets that could be used as a competitive advantage.

What we may see in the near future of stand-out tech companies is a big boom in cyber security. As things consistently become more online-based, everyone from small businesses to big governments are doing everything they can to hack and access information. Cyber security companies are stepping in to curb this.

Alternative economy

In closing, in many ways, the world is moving towards an 'alternative' economy. Cyber security is still relatively new but is critical in today's economy and people are investing big money to protect themselves. Alternatives to meat – a different kind of tech but still very notable – are taking off. The likes of Beyond Meat have hugely grown their market share and more people in the world are turning to alternative food products that are more 'responsible'.

Then, we have alternative fuel tech. Tesla has electronic cars but it's important to remember that they aren't the only players and they are market capped, in that they can only make so many. Other players could potentially introduce far more electric cars. If you're watching tech investment, 'alternative' thinking may be the way forward in years to come.

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