Nick's Tech Talk

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Hello everyone!

Thank you for the positive feedback on this note. As you can see, I've formalised things slightly.

In this issue, the following is touched on:

- How the eSports industry compares to traditional sports
- Apple Music's web-launch
- Free TVs are being handed out with Mukesh Ambani's new internet service in India
- Huawei's potential sale of its 5G technology to a Western buyer
- Alibaba's acquisition of NetEase's Kaola

As a reminder, **the purpose of this note is to create interesting talking points** with your clients (feel free to share it with them), and to raise everyone's awareness regarding some of the most interesting trends and themes which are taking place currently, with the aim of trying to determine and make sense of where the world going.

The articles included will primarily be focused on technology and, more specifically, the investment themes that we are invested in:

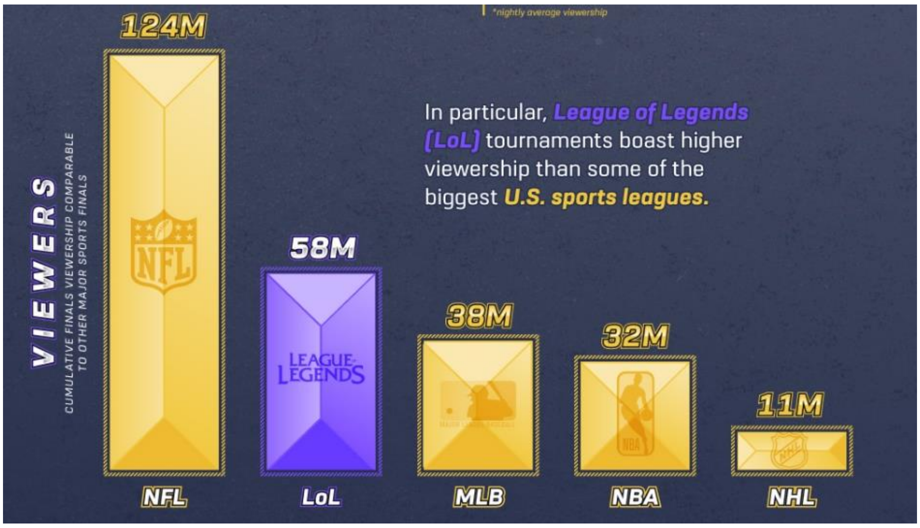
- 5G, Internet-of-Things & Big Data
- Automation, Robotics & Artificial Intelligence (AI)
- Cloud Computing & Cybersecurity
- Healthcare Innovation
- FinTech, E-Commerce & Digital Entertainment (Video, Audio, AR & VR, Video Games & eSports and Digital Advertising)
- Clean Energy
- Smart Mobility

Hope you enjoy the read!

[Visual Capitalist - How the eSports Industry Fares Against Traditional Sports]

Theme: Digital Entertainment (Video Games)

The bottom line:** e-Sports is growing at a torrid pace. The global eSports market was valued at $915 million in 2018. By 2025, the market is projected to reach $3 billion, growing 18% annually. The global eSports monthly audience is expected to reach **276 million viewers by 2022.



[TechCrunch - Apple Music launches a public beta on the web]

Theme: Digital Entertainment (Audio)

- Apple launched a **public beta of its music streaming service** on the web, which will be available to all Apple Music subscribers worldwide. Subscribers can visit **beta.music.apple.com** and sign in with their Apple ID.

The bottom line: *Competition has been heating up in the music streaming space. As per the article,* ***cross-platform availability is essential*** *in today's streaming market. Spotify, the market leader, already has a web-based version of its platform, hence Apple probably felt it needed one to. At the end of June, Spotify had* ***108 million paying subscribers*** *and Apple Music topped* ***60 million subscribers****. However, Apple Music has actually overtaken Spotify in the US.*

[CNN Business - India's richest man is offering free TVs with his new internet service]

Themes: 5G, Internet-of-Things; Digital Entertainment (Video)

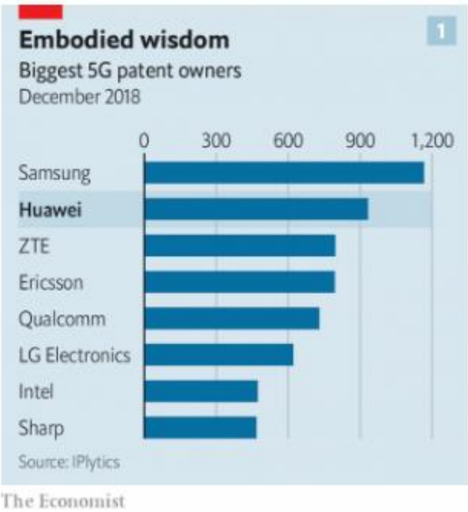
- Reliance Jio will give away **free 4K televisions** with some of its new plans using its new broadband network, called **JioFiber**.
- Reliance is the $20 billion mobile network, which is owned by billionaire Mukesh Ambani. It currently has more than 340 million users, and is the second-biggest telecom operator behind Vodafone-Idea.
- The TVs, available to customers who buy annual subscriptions starting from 15,588 rupees ($217), will also come with streaming services such as **Netflix and Amazon Prime Video.**

The bottom line: *4.1 billion people globally are connected to the internet. Around 900 million of the 3.5 billion unconnected are in India, which has* ***more unconnected people than any other country****, making it an attractive growth area. The biggest driver of India's online boom has been* ***Reliance's free internet offering****. New customers were given six months of free 4G high-speed internet. JioFiber will result in more people becoming connected to the internet in India, which will* ***support the likes of Netflix and Amazon*** *for example as the Indian population consumes more online content.*

[The Economist - Huawei may sell its 5G technology to a Western buyer]

Theme: 5G

- For a **one-time fee**, a transaction would give the buyer perpetual access to Huawei's existing 5G patents, licences, code, technical blueprints and production know-how.
- The aim is to create a rival that could compete in 5G with Huawei (which would keep its existing contracts and continue to sell its own 5G kit). This would help **level the playing field** at a time when many in the **West have grown alarmed** at the prospect of a Chinese company supplying the gear for most of the world's new mobile-phone networks.



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The bottom line: *This is biggest move to date to try and appease the West. The value of the firm's entire 5G technology portfolio, if it were sold, could run to* ***tens of billions of dollars****. Huawei is the* ***leader in the 5G*** *space. It's two main global competitors are Ericsson and Nokia.*

5G internet will be the enabler of the internet-of-things (IoT) *because it will provide the foundation for communication between IoT devices - connecting everything from cars to industrial robots. It is therefore a necessary requirement in order for the IoT to be increasingly adopted, utilised, and to reach its full potential.*

According to a recent article I read on ABC News, Huawei has already started ***exploring 6G wireless technology****, which is estimated to roll out in the 2030s. Huawei is not the only company researching 6G, which will be almost* ***8000 times faster than 5G.***

TechCrunch - Alibaba acquires NetEase Kaola in deal worth $2 billion

Theme: E-Commerce

- Tmall Global and Kaola are China's **largest and second-largest cross-border e-commerce platforms**, respectively, holding 31.7% and 24.5% of the market.
- Alibaba will integrate Kaola into Tmall, creating the **largest cross-border e-commerce platform in China**, but Kaola will continue to **operate independently** under its own brand.

The bottom line: *This is a big deal as Alibaba will have well* ***over half of China's fast-growing cross-border e-commerce*** *market with the acquisition. Demand in this segment is growing rapidly. On its own, China represents* ***55% of the global e-commerce market****, a share nearly twice that of the next five countries combined. As China goes, so goes the global ecommerce market.*