

Three of the Best Ways to Trade the eSports Boom

eSports is quickly becoming one of the “can’t miss” trades of the year.

This year alone, the market is expected to grow 15% year over year to 453.8 million, according to analysts at Newzoo. Better, total revenue for the global market could reach \$1.1 billion in 2019. By 2022, it could fly as high as \$3.2 billion.

“eSports’ impressive audience and viewer ship growth is a direct result of an engaging viewer ship experience untethered to traditional media,” says Newzoo CEO Peter Warman.

“Plenty of leagues and tournaments now have huge audiences, so companies are positioning themselves to directly monetize these eSports enthusiasts. While this began happening last year, the market is constantly expanding on its early learnings. The result: 2019 will be the first billion-dollar year for eSports, a market that will continue to attract brands across all industries.”

But this is just the start.

Goldman Sachs estimates the total online population is over 3.65 billion people globally, to go along with 2.2 billion gamers, but eSports viewers represent just 5% of the online population, which suggests that there should be plenty more room for growth.

By 2022, says Goldman Sachs, the eSports audience could be up to 276 million.

So, it makes sense to look at stocks, that could potentially benefit, including:

Turtle Beach Corporation (NASDAQ:HEAR)

Turtle Beach operates as an audio technology company, providing gaming headset solutions for various platforms, including video game and entertainment consoles, handheld consoles, personal computers, and mobile and tablet devices. With gaming contests increasing, it’s just beginning to spark interest in top-end headsets.



"We are confident in the strength and future of Turtle Beach," said Juergen Stark, CEO of Turtle Beach. "This repurchase program, our acquisition of ROCCAT, and the continued expansion of our gaming audio products demonstrate our balanced strategic approach and our commitment to investing in profitable growth. We look forward to delivering value to our shareholders through continued execution of our strategic growth pillars and effective use of our capital."

"We expect to generate free cash flow of over \$23 million in 2019, or over \$1.40 per share. While our top priority is funding our core business and future growth drivers, such as our recent acquisition of ROCCAT, we believe our stock represents one of the most attractive investment opportunities in the gaming space, and we will take advantage of the opportunity to invest in our company as appropriate."

Even more impressive, analysts at D.A. Davidson are bullish on the stock, which just announced it sold its 30 millionth gaming headset. For comparison, that's 12 million more than its biggest competitor.

ETMFG Video Game Tech ETF (GAMR)

The fund seeks to provide investment results that correspond to the price and yield performance of the Fund Video Game Tech Index. The Index tracks the performance of the common stock of companies across the globe that are actively engaged in a business activity supporting or utilizing the video gaming industry.

VanEck Vectors Video Gaming and eSports ETF (ESPO)

ESPO follows the MVIS Global Video Gaming and Esports Index, "which is intended to track the overall performance of companies involved in video game development, esports, and related hardware and software," according to VanEck.