

The background of the entire slide is a night-time aerial view of a city, likely New York City, with numerous skyscrapers illuminated. Overlaid on this image is a network diagram consisting of white dots connected by thin white lines, suggesting a global or interconnected network. At the top, there is a solid blue horizontal bar.

# THE SECOND PHASE OF 5G

*The Largest Consumer Electronics  
Replacement Cycle in History*

*By Jeff Brown*

# The Second Phase of 5G

## The Largest Consumer Electronics Replacement Cycle in History

By Jeff Brown

We are witnessing the largest, most significant communications infrastructure build-out the world has ever seen.

The estimated cost: \$2 trillion.

But the investment is well worth it.

I'm referring to the build-out of the 5G wireless network.

If you have a modern smartphone in the U.S. – or anywhere in the developed world, for that matter – it's likely that you're using a fourth-generation (4G) wireless network.

About once every 10 years, the world goes through a major wireless infrastructure build-out.

In the 1990s, it was second-generation (2G) technology. In the 2000s, it was third-generation (3G) technology. And in the 2010s, it's been fourth-generation (4G) wireless technology.

Now wireless networks are transitioning again to fifth-generation (5G) wireless technology.

But 5G is more than just another so-so wireless network upgrade. 5G speeds will be, on average, 100 times faster than the 4G speeds we use today.

Today, most 4G wireless networks can achieve networks speeds of 100 megabits per second (Mbps). With those speeds, it would take you about five minutes to download an HD movie from the internet. That's not too bad. Have a look at the nearby chart.

Evolution of a Wireless Network				
1G	2G	3G	4G	5G
1981	1992	2001	2010	2020
2 Kbps	64 Kbps	2 Mbps	100 Mbps	10 Gbps
Basic voice service using analog protocols	Designed primarily for voice using the digital standards (GSM/CDMA)	First mobile broadband utilizing IP protocols (WCDMA/CDMA2000)	True mobile broadband on a unified standard (LTE)	“Tactile internet” with service-aware devices and fiber-like speeds

But look at the 5G speeds. 5G will deliver speeds up to 10 gigabits per second (Gbps). That’s 100 times faster than 4G. Again, not 100% faster, 100 *times* faster.

Do you know how long it would take you to download that same HD movie with 5G? It would take just 20 seconds. Incredible.

With 5G, online voice and video calls will be crystal clear. Slow-loading web pages and dropped calls will be a thing of the past.

And I can tell you from personal experience that 5G speeds live up to the expectations. Recently, I visited Washington, D.C., to see these networks in action. Watch the [video](#) below to see the results for yourself.





With the increased network speeds, some previously “sci-fi” technology becomes very real.

Fleets of self-driving semitrucks will roll down the highway, connected in real time to an experienced driver who can take over at a moment’s notice.

Doctors will operate on patients thousands of miles away thanks to robotic surgery equipment connected to a lightning-fast 5G network. And one day, you might “holo-commute” to work. Thanks to the speeds of 5G, a holographic projection could stand in for you at your next meeting.

All told, 5G will usher in more than \$12 trillion in wealth. 5G isn’t just evolutionary. It’s revolutionary. And it represents one of the best investing opportunities of this decade.

## Three Phases of the 5G Boom

The 5G rollout will come in three phases.

### **Phase One: The Infrastructure Phase**

As we speak, mobile network providers are spending billions of dollars to erect and maintain wireless network infrastructure. Phase One will make a few successful companies billions of dollars.

Right now, there are more than 7,200 5G deployments across the globe. And that number is going up daily.

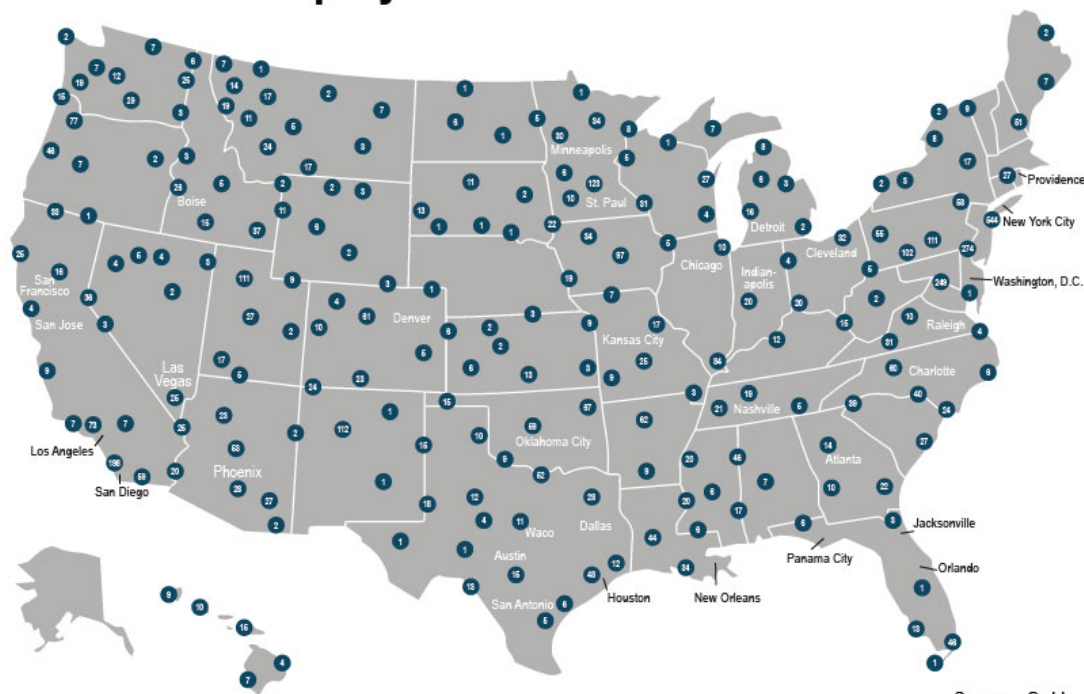
Countries like South Korea and Switzerland already have live 5G networks covering more than half the population.

China, which is the world's second largest economy, is seeing a noticeable uptick in 5G activity.

A recent JPMorgan report found that Chinese telecom carriers saw an increase of 5G base stations being deployed in 2020. This wasn't a small increase... Previous estimates had 130,000 new base stations going live this year. Now that number is between 600,000 and 800,000 base stations. That's five times more base stations than anticipated.

And as you can see by the nearby map, almost every American state has some form of 5G up and running.

## 5G Deployments in The United States



### Phase Two: The Devices Phase

We are already well into Phase One. That means it's time for Phase Two. That's when billions of smartphone users around the world will upgrade to a 5G-enabled smartphone.

This is where the 5G experience starts to hit the mainstream. Mobile devices that we all use every day, like smartphones and tablets, will soon be 5G capable. And once that happens... and the masses understand just how game-changing 5G wireless speeds are... billions of now obsolete devices will need to be upgraded to take advantage.

We are currently entering Phase Two. Later this year, 5G-enabled devices like the 5G iPhone will go up for sale. A little later, I'll show investors how they can profit from this megatrend.

### **Phase Three: The Services Phase**

After the world has upgraded to 5G-enabled devices, we will move into Phase Three of the 5G rollout. This is the stage when companies will begin offering services that take advantage of 5G speeds.

Think of things like virtual reality, self-driving cars, robotic surgery, and even holographic telepresence.

I predict we will begin to enter Phase Three in early 2021.

But by now, I'm sure you likely have a question on your mind: Will COVID-19 slow down the rollout of 5G?

Absolutely not. In fact, COVID-19 has actually *sped up* the rollout of 5G.

## **COVID-19 Is Breaking the Internet**

Numbers coming out confirm what we already knew to be the case – COVID-19 slowing down the internet.

Nokia just released data saying that most wireless networks around the world see 30–45% growth in traffic over a year. But peak usage jumped 20–40% in just four weeks during the COVID-19 lockdowns.

These numbers are beyond crazy. And it's all because people are staying home.

Videoconferencing traffic – for both work and socializing – spiked 300%. Gaming traffic exploded 400%... probably because the kids are staying home from school.

To put this growth in context, network data traffic would more than double every 12 months if this persists. We are talking about the definition of exponential growth. And it will overwhelm networks all over the world.

As a result, data centers are building out additional infrastructure, as are wireless carriers. And the European Union (EU) has gone so far as to ask companies like Netflix, Disney+, Zoom, and Facebook to reduce the quality of their video. The EU hopes this will relieve some of the strain on its networks.

And here's the big takeaway – the world needs 5G now more than ever.

Any company producing the products used by data centers, wireless networks, and 5G infrastructure is getting slammed with new orders as we speak. For these companies, sales are going up, not down.

That's why there has never been a better time to invest in 5G companies. And I've found a perfect way for investors to profit.

## **The Supplier of Smartphone Giants**

As I showed above, there are three phases to the 5G rollout. We are well into Phase One, the infrastructure phase. There are still great companies operating in this space. But the largest gains have already come and gone. Investors should instead look to profit from Phase Two, the devices phase.

The smartphone in your pocket will soon be obsolete. Every single mobile phone, all 3.5 billion of them, will have to be replaced.

So today, I'll show you the one company that will profit as consumers rush to trade in their phones. (Hint: It's not one of the big smartphone brands like Apple or Samsung.)

But first, just a bit of background...

5G wireless technology is the most significant development in wireless technology since the first generation in the 1980s. 5G wireless technology is not evolutionary; it is revolutionary.

5G wireless networks will operate over different radio frequency (RF) spectrum. Because of this, 3G and 4G phones – the phones you and I use every day – simply will not work on 5G networks.

That means that every single smartphone in the world will have to be replaced in order to access 5G wireless services. This will be the largest consumer electronics replacement cycle in history.

And the market is perfectly primed for it.

Smartphone models over the last three years have been largely the same. Except for the addition of 3D-sensing technology, each successive smartphone generation has only been moderately better than the previous generation.

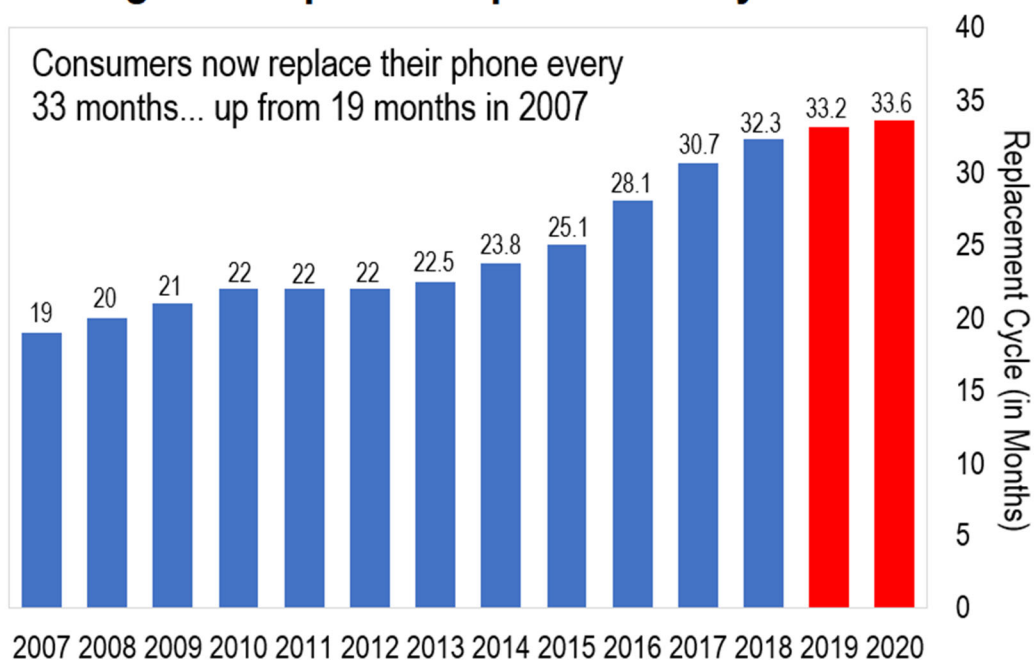
A bit more memory, a faster processor, better quality resolution in the camera, but nothing revolutionary. Nothing to cause consumers to rush out and upgrade their phones.

And it shows in the numbers.

Back in 2007 when the very first iPhone was released, consumers replaced their mobile phones, on average, about once every 19 months. From 2007 through 2014, this replacement cycle remained under two years.

But take a look at the numbers for 2020. Today, consumers are holding onto their smartphones for nearly 34 months. That's almost three entire years without a new smartphone.

## Average Smartphone Replacement Cycle



BONNER & PARTNERS

Source: Statista

To my earlier point, there just hasn't been enough reason for consumers to upgrade their phones. The new phones just don't do much more than the old phones. We have been waiting for something big... and that something is 5G.



Billions of people will rush out and buy a 5G smartphone later this year. For investors, this is a massive opportunity.

But the best way to get exposure to this trend isn't by buying stocks like Apple or Samsung. Instead, the largest gains will be found in the companies supplying critical components to these 5G devices.

And of all the 5G suppliers, one company stands out. This company produces an essential component for 5G smartphones. Literally, without this piece of hardware, every 5G phone on the planet – there will be billions of them – will not work.

What do we think will happen to the stock of this company once every smartphone user on the planet rushes out to buy a 5G phone later this year? That's right. The stock is going much higher. That's why this company is my [No. 1 5G stock of 2020](#).

I've put together a presentation to share all the details on my No. 1 5G stock. To learn how to profit on Phase Two of the 5G boom before it's too late, [go right here](#).

Regards,

Jeff Brown  
Editor, *The Near Future Report*

**P.S.** My No. 1 5G stock of 2020 is the best way for investors to profit from 5G this year. But it's not the *only* way.

I've identified four more leveraged plays on the 5G boom. These stocks have the potential to make investors a small fortune in the years ahead. But time is running out.

5G is inevitable. And every day that passes brings us closer to 5G hitting the mainstream. Once that happens, the largest gains will be gone. 99% of investors will miss the boat. You don't have to be one of them. [Go right here now](#).