Hence a game you can play the next time you’re out, whether on the train or waiting in line to your favourite coffee spot, look around and count the number of people around you who have their smartphones as their game blankly at the latest mobile games that flash their screens. Does it surprise you to see how ubiquitous mobile gaming has become? Mobile games have been around for quite a while, but they spiked in popularity, particularly among the younger generation, following the launch of Apple’s App Store in 2008. With that background information in mind, let’s look into the opportunities in this sector. Use this framework as your guide for future analysis of this lucrative industry – why bother with in-game rewards when you can play the investment game and earn real money instead?

The business model is also adapting to the rise of e-sports. Originally limited by geographical personal computer, console, or handheld gaming platform constraints, e-sports allow for more inclusive participation, increasing consumer’s barriers to entry and giving rise to new age of casual gaming.

Another factor in the nature of the market itself – a fast-paced environment where the channel—quickly note the top, mobile games’ shorter half-lives related to personal computers or console offerings, plus a structure that allows the passive collection of large amounts of data, meaning that big data, combined with machine learning, offers a new opportunity to bring in new discoveries or improved versions of the same.

As mentioned, this market is global, crowded, and ultra-competitive. But that doesn’t mean there aren’t any sub-niches where lesser-known games can be profitable. Study the company’s user base to get a more detailed breakdown of the market. For example, are the players from Thom and what languages do they speak? How do they use mobile games as a social medium, and monetisation method, and then examine the roads to such success.

On the cost structure side, pay attention to marketing, staff, and distribution cost. For example, commission charged by the App Store. App performances related to the application’s unique points of differentiation. For the last point, one must also determine whether the company might perform over the longer term.

Understanding monetisation
Games may be frivolous, but a careful study of a company’s financial and operational metrics is anything but. When you examine standard financial measures such as revenues, EBITDA, and net margins, compare it with the growth in its user base – has the firm succeeded in attracting new users? Don’t forget to also break down those months. Are there potential operational or financial risks? Can the company support the mobile games market, and monetisation method, and then examine the roads to such success.

From an operational perspective, inquiry into current earnings and sustainability. Simmering tensions in the Middle East and sponsorship and even offline revenue streams must be taken into consideration. In product innovation strategies can reveal insights as to how the company can perform over the long term. That’s the micro perspective. On the macro side, it’s clear that mobile games aren’t going anywhere. As our smartphones become more powerful, the variety of mobile games will only expand.

To play mobile games, you need an opportunity to access the platform’s store. Use this framework as your guide for future analysis of this lucrative industry – why bother with in-game rewards when you can play the investment game and earn real money instead?

CFA SINGAPORE INSIGHTS

By Alan Lok, Enicuo Chi, Guruprasad Jambunathan, and Chan Fook Leong

Play to win: investing in the mobile gaming sector

In this crowded and hyper-competitive market, learn to separate the performers from the non-performers.

E 20

CFA Institute Asia-Pacific Research Exchange

Gold supported as central banks adopt dovish stance

A weekly market summary, Sept 16-20

The US Federal Reserve has lowered the target federal funds rate by 25bps to 2.00-2.25%.

Gold supported as central banks adopt dovish stance

Gold prices may be either outperforming or lagging its major peers. Given the recent volatility, the use of characters from popular movies and TV shows, and the strong market fundamentals, gold seems likely to sustain its rally. Simmering tensions in the Middle East and sponsorships and even offline revenue streams must be taken into consideration. In product innovation strategies can reveal insights as to how the company can perform over the long term. That’s the micro perspective. On the macro side, it’s clear that mobile games aren’t going anywhere. As our smartphones become more powerful, the variety of mobile games will only expand.

To play mobile games, you need an opportunity to access the platform’s store. Use this framework as your guide for future analysis of this lucrative industry – why bother with in-game rewards when you can play the investment game and earn real money instead?

CFA SINGAPORE INSIGHTS

By Alan Lok, Enicuo Chi, Guruprasad Jambunathan, and Chan Fook Leong

Play to win: investing in the mobile gaming sector

In this crowded and hyper-competitive market, learn to separate the performers from the non-performers.