



Is BlackBerry Ltd About to Hit \$20?

Description

Picture this...

You wake up in the morning and sensors alert your coffee machine to start brewing. As you walk into the kitchen it's a little chilly, so you adjust the thermostat with your smartphone.

Your fridge alerts you that you're running low on eggs and automatically orders a refill. Before you leave for work, you pack the washing machine, which uses real-time electricity rates to schedule loads during off-peak hours.

Your car sends you a traffic report and recommends the best route to the office. You're running late, so your work computer automatically reschedules that 9:15 a.m. meeting.

How to strike it rich in the second Internet gold rush

This might all sound like science fiction, but many of the innovations I'm describing already exist.

They are all a part of the latest development coming out of the technology industry: the Internet of Things, or IoT for short. Simply put, the IoT is the connection of people and objects through the Internet.

As *The Futurist* describes, "The Internet is no longer just a global network for people to communicate. It is also a platform for devices to communicate electronically with the world around them."

Getting you through your morning commute is just the beginning. For instance, the IoT can reduce waste-management costs with sensor-equipped garbage cans, control traffic lights to cut energy consumption, and help parking meters adjust rates based on demand.

The size of this market could be huge. For instance, consider these predictions from **Cisco Systems, Inc.** CEO John Chambers...

- By 2017, the data equivalent of every movie ever made will cross global networks every four

minutes.

- The number of devices connected to the Internet is projected to grow fivefold to 50 billion over the next six years.
- The IoT could be a \$19 trillion market by 2020. To put that figure in perspective, that's about the market capitalization of every company in the **S&P 500 combined**.

If that sounds like an opportunity, I'd agree. And there's no better way to invest in this trend than **BlackBerry Ltd.** ([TSX: BB](#))(NASDAQ: BBRY). Now that the firm is back on sound financial footing, management has declared that the IoT is the new strategic focus for the company.

"Billions of connections, generating trillions of transactions and exabytes of data daily, will require platforms that can operate securely on a global scale," company CEO John Chen wrote in a May press release. "No other company is in a better position than BlackBerry to provide the technological building blocks, applications and services needed to enhance productivity, improve real-time decision making and deliver on the vision of the *Internet of Things*."

After executing a multibillion-dollar turnaround at Sybase, Mr. Chen is one of the most credible technology leaders on Wall Street today. He's a man of action who has never been known for exaggeration or promotional behaviour.

In May, BlackBerry announced its latest initiative, called Project Ion, which could reinvigorate the company. BlackBerry says Project Ion consists of three parts: a secure public information platform running its QNX software, supporting an IoT ecosystem, and partnerships with other top players in this emerging industry.

In essence, BlackBerry wants to create the Philosopher Stone of this new Internet age. It will build the infrastructure needed for all of these devices to communicate with one another.

And perhaps no other company in the world is better positioned than BlackBerry to lead this revolution. Its QNX software is already found in millions of vehicle infotainment systems as well as industrial and health care devices. Even the company's critics would agree that no one has a more secure platform than BlackBerry.

100% gains from one of the biggest technology trends today

But a quick word of warning: Wall Street is beginning to catch on.

In June, investment house Citron Research published a report predicting that Project Ion could push BlackBerry shares to US\$20, up from around US\$10 today. Last quarter, SEC filings also revealed a noticeable uptick of hedge fund activity in the stock. Other firms are following suit as I write.

Now I have to ask you... what would make all of these Wall Street firms take notice of this company? I'd say it could only be one thing: they project an epic rally ahead.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CSCO (Cisco Systems Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)

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