



Why BlackBerry Ltd. Could Hit \$20 (Hint: It's Not the Passport)

Description

If you're a technology investor, then this might be the most important message you ever read. That's because in this article I'm going to show you an emerging market that could rival the personal computer... social networking... even the iPhone. And before the run is over, investors could double their money or more.

Let me explain...

Last month, **BlackBerry Ltd** ([TSX: BB](#))(NASDAQ: BBRY) unveiled its new Passport smartphone. The media discussed the handset's specs, price, and battery life. But while everyone gawks over the company's latest phone, they're missing an even bigger story: the Internet of Things, or IoT.

Simply put, the IoT is the connection of people and objects to the Internet. Soon, just about every device you use — including your car, refrigerator, television, and washing machine — will be connected.

The household is just the beginning. Energy companies are using this technology to remotely monitor oil and gas wells. Golf courses can selectively irrigate dry zones to reduce water usage. Parking meters are starting to use real-time traffic data to adjust prices according to demand.

While all of these innovations might sound like science fiction, they're all possible today with the IoT. This opportunity could be incredibly large. For instance...

- The number of smart-connected devices is expected to grow from 28 million in 2013 to 114 million units by 2018 in Canada alone.
- Spending on the Internet of Things is also expected to surge from \$5.6 billion last year to \$21 billion in 2018.
- The IoT could add US\$19 trillion to the world's gross domestic product by 2020, larger than every company in the S&P 500 *combined*.

In May, BlackBerry announced a series of initiatives codenamed "Project Ion", with which it aims to become a leader in providing the technology that connects everyday Internet-connected things to

wireless networks. In essence, BlackBerry wants to build the IoT's nervous system, creating the infrastructure needed for all of these devices to talk to one another.

QNX is at the center of all of this. The company's operating system is already found in over 30 million vehicles worldwide. As of 2013, QNX has taken 53% of market share in the automotive infotainment industry.

This first mover advantage that could transition well to other sectors. Given QNX's proven capabilities and BlackBerry's reputation for security, the automotive industry is likely just the beginning.

How to strike it rich in the second Internet gold rush

The smart money is backing the new plan. According to recent SEC filings, a number of billionaire investors — including D.E. Shaw, Spencer Waxman, and Ken Griffin — increased the size of their positions in the stock last quarter. And in June, investment house Citron Research predicted that the IoT could push BlackBerry shares to US\$20.

So, while the market concentrates on handsets, let BlackBerry focus their efforts on the much bigger picture.

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Date

2025/07/05

Date Created

2014/10/17

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