



## Private and Public Entities Work to Bolster Cybersecurity: That Is Great News for This 1 Stock

### Description

On October 31, representatives from tech giants **Facebook Inc.**, **Alphabet Inc.**, and **Twitter Inc.** were questioned by U.S. Congress over so-called Russian meddling in the 2016 U.S. election. The period of questioning was mostly straightforward, and all three companies have vowed to safeguard against future “interference.”

Facebook CEO Mark Zuckerberg, who was skeptical when first confronted with the concept that his company was used to influence the election in such a way, has seemingly turned a corner. Zuckerberg has said that Facebook “will not stand for” such actions in the future. Google has responded by changing its algorithms to promote more “authoritative content” versus “alternative” outlets. Twitter is also making changes to its user policy.

Increased collaboration between public and private spheres pertaining to technological security matters is likely to continue well into the future. In October 2013, **Amazon.com, Inc.** finalized a \$600 million deal for Amazon Web Services to build a private computing cloud for the 17 American intelligence agencies. The cloud provides secure storage for the vast swathes of data accumulated by the National Security Agency (NSA), the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), and others.

In a September article, I discussed the [increased demand for cybersecurity](#) in light of recent events. One of those events was the **Equifax Inc.** data breach, which potentially compromised the personal data of more than 140 million people in North America and the United Kingdom. As of November 9, Equifax has spent over \$85 million on the recent breach.

Governments have also been hit by an increased number of cyberattacks. Canada managed to avoid being impacted by a massive breach that swept across Europe and even impacted National Health Service (NHS) servers in the U.K. In that October article, I discussed a report from the American research and advisory firm **Gartner Inc.** which projected spending on cybersecurity would likely reach over \$100 billion by 2020.

I've pinpointed [several cybersecurity stocks](#) that could gather momentum going forward. My top option for Canadian investors continues to be **BlackBerry Ltd.** ([TSX:BB](#))(NASDAQ:BBRY).

### Why BlackBerry Ltd.?

Shares of BlackBerry have climbed 47.6% in 2017 as of close on November 9 and 45% year over year. The company has transitioned to software after its hardware business was threatened by a significant loss of market share due to the rise of international competitors.

In July, BlackBerry announced that it had won the right to sell its secure messaging tools to the U.S. federal government. The tools will be used to encrypt phone calls and text messages. BlackBerry already provides this service for the Canadian government and several other countries worldwide. The company also partnered with London-based VoxSmart in the summer to provide combined endpoint security and compliance solutions to European clients in finance.

BlackBerry released its fiscal 2018 second-quarter results on September 28. It posted record software and services revenue of \$196 million; 79% of software and services revenue in the quarter was recurring. Even after a very strong 2017, BlackBerry stock comes at a great value considering its growth potential in this industry.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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aocallaghan

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