



## BlackBerry Ltd. Is up Over 20% in 2018 Thanks to Baidu Inc. (ADR)

### Description

Shares of **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) popped nearly 21% in the first two trading sessions of 2018. Great! So, just a couple of days in, and you can take your profits off the table and beat the market for the year, right? Well, technically you could, but I think there's plenty more upside to come as we head into the latter part of the new year.

### What caused the surge?

The Chinese internet behemoth, **Baidu Inc. (ADR)** ([NASDAQ:BIDU](#)) recently announced its plans to partner with BlackBerry on its driverless vehicle program called Apollo. BlackBerry's "game-changing" QNX software will be providing the safety operating system for Apollo. In addition, Baidu also plans to integrate its AI to run on QNX.

I believe the post-announcement rally was completely warranted and could be the start of a rally to much higher levels. The Apollo program has over 70 partners, according to Baidu, and it's beginning to look like Baidu has the platform that'll be in a majority of the connected vehicles of the future, even though many **Tesla Inc.** bulls would disagree.

### This rally is far from being over!

In my previous piece dated December 20, 2017, I'd stated that BlackBerry would be [one of the biggest rebound stories of 2018](#), and just days into the new year, the rebound is off to a hot start. BlackBerry is at the [forefront of two of the hottest markets out there](#) — self-driving vehicles and cybersecurity, both of which, I believe, will lead to next-level returns over the next few years, despite prior years of underperformance.

Many experts would agree that BlackBerry's QNX platform is the most advanced of its kind, and if connected cars are to become mainstream over the next few years, QNX would be the go-to choice, because it's the most secure and scalable solution out there with many features that make it nearly impossible for hackers to compromise.

BlackBerry CEO John Chen admitted that no system would ever be 100% secure, but he compared

BlackBerry's solution to that of a more sophisticated lock that would be substantially harder for a criminal to pick.

### **Just how sophisticated is BlackBerry's platform?**

It's actually quite profound.

Think of the difference in security measures at Fort Knox versus your local bank. It's no contest, and if you thought 2017 was a bad year for cybersecurity breaches, just wait a few years when such breaches could put real lives on the line. The stakes have been raised, and there's no room for substitutes with something as critical as a driverless vehicle. That's why I've emphasized in previous pieces that there was a high probability that QNX would be one of the few (potentially exclusive?) systems powering the connected vehicles of tomorrow, regardless of a vehicle's make or model.

### **Bottom line**

BlackBerry's rebound is just getting started. I suspect more headlines on Baidu's Apollo project will propel the stock much higher over the year.

After teaming up with Baidu, it looks like BlackBerry will provide the primary safeguard for tomorrow's connected cars, and if that's actually the case, BlackBerry shares could see [all-time highs](#) a lot faster than most analysts think, as far-fetched as that sounds!

Forget Bitcoin! BlackBerry is the real opportunity of a lifetime.

Stay hungry. Stay Foolish.

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3. TSX:BB (BlackBerry)

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