



Tech Investors: Ride the Wave of BlackBerry Ltd.'s Deal With Baidu Inc. (ADR)

Description

Looking back at 2017, tech investors will be very pleased with their investment in **BlackBerry Ltd.** ([TSX:BB](#))(NYSE:BBRY). Shares of the Canadian technology company ended the year more than 55% higher on strength related to the ability of the company to turn a profit and expectations that BlackBerry's autonomous vehicle software platform will take off in 2018.

It appears 2018 will not be outdone, however, with shares of BlackBerry trading more than 18% higher in its first two trading days after announcing the company had signed a deal with Chinese firm **Baidu Inc. (ADR)** ([NASDAQ:IDU](#)) to develop self-driving technology built on top of BlackBerry's QNX Hypervisor 2.0 software platform.

The deal is expected to result in a continued boon for BlackBerry, providing additional forward momentum for the company's software division, which had a very positive 2017. The new Baidu partnership follows announcements of a partnership with **Qualcomm Inc.**, Denso, and Aptiv PLC. In BlackBerry's case, the ability of the newly structured software company to continue to innovate and improve its software platform for the autonomous vehicle market while partnering with key players will be paramount for this year.

It certainly looks like the company has started the year off on the right foot.

With BlackBerry's stock price climbing [so sharply](#) in such a short amount of time, investors will now be looking forward to how these partnerships are monetized by BlackBerry's management team. As I've discussed in the past, I have generally been impressed with BlackBerry's ability to turn a profit so quickly, while pivoting the company nearly 180 degrees in a short amount of time; much of the praise for such a revival should certainly be directed at CEO John Chen.

With investors forced to wait another three months to see any sort of financial results/impacts of the work BlackBerry has already begun at the beginning of this year, I expect the next two months to see trading volatility, as investors attempt to price the value of these partnerships into BlackBerry's stock price.

Bottom line

BlackBerry is a company with tonnes of forward momentum, starting 2018 as a top performer already. For momentum investors, now may be a good time to buy the news and get in while the going is good. Who knows? Maybe Citron's bet that BlackBerry would hit US\$20 in the next 24 months will pan out sooner than expected.

While [risks still abound](#) with respect to the long-term ability of BlackBerry to keep pace with other innovators in the global technology space, I view these recent partnerships BlackBerry has announced as a step in the right direction.

Stay Foolish, my friends.

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1. Editor's Choice

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