



## Here Is Why BlackBerry Ltd. and CAE Inc. Need to Be in Your Portfolio

### Description

**BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) stock fell 1.57% on May 3, but shares have increased 3.2% month over month. BlackBerry released solid results in late March, which included another record quarter for software and services revenue, but shares fell to 2018 lows in response. The stock is still up 8.5% year over year.

**CAE Inc.** ([TSX:CAE](#))([NYSE:CAE](#)) is a Quebec-based aerospace and defence company. Shares have dipped 2.1% week over week, but the stock is up 2.4% in 2018 so far. The company is expected to release its fourth-quarter results on May 25. In the third quarter, CAE posted revenue of \$704.4 million over \$682.7 million in fiscal 2017 Q3 and posted an order intake of \$1.4 billion.

Both of these companies are well positioned for growth heading into the next decade. Here are two reasons why investors should add both to their portfolios in May.

### The growing potential of the cybersecurity economy

Cyber-security has become a [growing priority](#) for governments and the private sector. Top militaries around the world are increasing investments in cyber-warfare and cyber-defence. In 2016, the Democratic National Committee had its emails leaked to the public in a hack the U.S. government alleges was perpetrated by Russia, a development which potentially swung the election in favour of then-candidate Donald Trump.

In September 2017, **Equifax Inc.** announced a data breach that potentially affected over 145 million U.S. consumers as well as British and Canadian citizens. So far, the breach has reportedly cost Equifax over \$430 million, with \$125 million being covered by insurance.

BlackBerry has won a number of government contracts. In July 2017, BlackBerry won the right to sell tools for phone call and text messaging encryption to the U.S. federal government. It also possesses contracts with the Canadian federal government for mobile encryption services. The company launched a cyber-security consulting service in October 2017. The growth of these services has contributed to the surge in software and services revenue at BlackBerry.

## Global military spending hits highest since the end of the Cold War

The U.S. and Canada have recently moved to [hike military spending](#) in the next decade, while leaders from both countries have declared a new era of great power competition. The Stockholm International Peace Research Institute released a report that estimated governments around the world spent \$1.7 trillion on the military in 2017. The represents the highest level of military spending since the end of the Cold War.

CAE has won lucrative defence contracts with both the Canadian and U.S. military in recent years. In early 2017, the company won a \$450 million contract with the U.S. Army to provide rotary-wing flight training instructor support services. In the third quarter of fiscal 2018, CAE reported defence revenue of \$262.8 million — up 8% from the prior year. Operating income in its defence segment increased 9% to \$32.7 million. The defence backlog at the end of the quarter totaled \$3.5 billion.

### Bottom line

BlackBerry and CAE have the potential to post explosive growth in the next decade, so you should add them to your portfolio.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:CAE (CAE Inc.)
3. TSX:BB (BlackBerry)
4. TSX:CAE (CAE Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Investing
2. Tech Stocks

### Tags

1. Editor's Choice

**Date**

2025/08/18

**Date Created**

2018/05/04

**Author**

aocallaghan

default watermark

default watermark