



## Will BlackBerry Ltd. (TSX:BB) Stock Get Back on Track in 2019?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock was up 3.14% in early afternoon trading on December 12. Shares had dropped 14% over the past month.

BlackBerry has been a frustrating stock to own in 2018. The stock got off to a fantastic start and posted a 52-week high of \$18.14 in January but has since suffered a steady retreat. That rise represented the high-water mark in the recovery period following the appointment of CEO John Chen back in November 2013. Chen has expressed confidence that the company, and the stock, will be able to gain traction in the near term.

“Today, if you ask our competitors about the software that manages devices, I think that they will tell you that they give us the gold star for it,” John Chen recently said in an interview with BNN *Bloomberg*. He went on to reiterate that BlackBerry is seen as “the number one safety solution” because of its QNX operating system. In the years to come, BlackBerry will be in a good position to maximize this advantage as the demand for security software increases.

Earlier this year, I'd [discussed rising demand](#) in the public and private sphere for improved cyber security. BlackBerry has established itself as a leader in mobile endpoint security solutions. It has won public contracts including with the U.S. State Department. The company also launched a cybersecurity consulting arm in October 2017.

On November 16, BlackBerry announced that it would acquire the California-based cybersecurity firm Cylance for \$1.4 billion. John Chen has said that the deal will aid the company by integrating Cylance Artificial Intelligence with its end-point management business and its security and threat isolation business. Earlier this year, I'd discussed why [investors should look to companies](#) that are investing in artificial intelligence.

BlackBerry has also made strides as it has leveraged its QNX software to gain a foothold in the automated vehicle industry. The company achieved record-high quarterly revenue in its BlackBerry Technology Solutions segment in Q2 fiscal 2019 on the back of growth in its automated vertical segment. However, BlackBerry is facing steep competition from larger tech firms in this sector.

BlackBerry stock has struggled with volatility in 2018, but its technical readings have not slipped into oversold territory since late June. Currently, BlackBerry boasts an RSI of 38, which puts it outside technical oversold levels. However, shares are currently hovering around a 52-week low, which should be enticing for those who are looking to bet on its progress in these emerging sectors.

The problem for BlackBerry is a question of scale, and it has been the case since it lost the edge in hardware. Currently, BlackBerry boasts a market cap near \$6 billion, but its revenue totals are still underwhelming. Fortunately, investors can expect results to pick up in the next two quarters if its own forecasts prove reliable.

BlackBerry remains an attractive speculative buy in December. It is good to see the company double down on its cybersecurity footprint with the acquisition of Cylance. The stock has been hammered along with the broader tech sector over the past several months. The future looks bright at BlackBerry, but the stock is recommended only for the most patient investors who can stomach its volatility.

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