



BlackBerry (TSX:BB) Stock Could Double in 2020 If These 3 Things Happen

Description

Technology stock **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is approaching its 52-week low of \$6.48. The shares of this Waterloo, Ontario-based company have been declining since late September.

Investors are wondering whether the designer and marketer of wireless handsets and software have something to offer in the New Year.

BlackBerry CEO John Chen continues to do an excellent, if not unbelievable job of transitioning BlackBerry from a tech stock to cybersecurity software stock. Although the company is starting to generate net cash, the stock is taking a beating and sliding to an all-time low.

Analysts covering BB are forecasting the stock to rebound and double in value in 2020. The forecasts seem far-fetched unless three things happen.

Cement position in security software

Its thanks to John Chen that BlackBerry is executing well. While it was a difficult struggle, the efforts are slowly paying off. The company is now a trusted security software and services company that provides enterprises and governments with the technology they need to secure the Internet of Things.

BlackBerry is leading the way in areas such as artificial intelligence, endpoint security and management, encryption and embedded systems. The company is committed to safety, cybersecurity and data privacy.

Show strong earnings

Certainly, there's plenty of work ahead. The focus should be long-term and the company needs to make things interesting to investors. BlackBerry is about to report its financial results for the third quarter fiscal year of 2020 on December 20, 2019.

Prem Watsa's **Fairfax Financial** is the largest stakeholder in BlackBerry. The Canadian counterpart of Warren Buffett lost about \$131 million in this tech stock in one day. BlackBerry reported very disappointing fiscal second-quarter earnings.

Fairfax President Paul Rivett maintains a long-term view on BlackBerry. The price fluctuations are short-term in nature, and he also added that 50% of the company's position in BlackBerry is in a convertible debenture.

The coming quarterly earnings presentation is a make or break affair. If BlackBerry presents a strong earnings report, it could be the start of a turnaround story. Otherwise, the image of the company as a perennial worst-performing stock sticks.

More breakthroughs

The recent trade breakthrough between the U.S. and China is great news for BlackBerry. The company has collaborated with electric vehicle manufacturer WM Motor. It will augment the in-car experience of this China-based company.

VM Motor will be using the BlackBerry QNX technology in the forthcoming production run of its third-generation SUVs. The QNX Platform is for digital cockpits, while the QNX Hypervisor is for Safety.

The Chinese company partnered with BlackBerry because its QNX software can power the next generation VM Motor Cars.

Aggressive growth

The response of Fairfax Financial to the poor quarterly earnings of BlackBerry shows confidence in the company. The BlackBerry QNX, in particular, is expected to be the core driver of growth. Many vehicle manufacturers are spending on BlackBerry's software for current and future auto designs.

Alongside the acceleration in the IoT business, BlackBerry should be showing momentum and doing a lot better in 2020. The company can't afford failure, as the business could face a slowdown and the brand itself would be at risk again.

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