



BlackBerry Stock Price Beat the TSX in March

Description

BlackBerry stock price has been highly volatile even in the best of times. In March, the BlackBerry stock price beat the **TSX Index** by 5.6%.

BlackBerry has groundbreaking technological potential, so it's easy to get excited about this stock. The problem has been that [this is a turnaround story — and these things take time](#). BlackBerry has had a rocky road since its decision to get out of the handheld market. While the refocusing of the company was a smart decision, it has been a difficult path.

In March, [all eyes were on developments related to the coronavirus](#). Societies are attempting to lessen the human toll of this virus by taking measures that were unimaginable only a few months ago. As the realities of social distancing and isolation became increasingly clear, the economic fallout also became crystal clear.

For BlackBerry stock, it is mixed.

BlackBerry stock price outperformed the TSX Index as social distancing means working from home

In this new era, anyone who can work from home *is* working from home. This is good news for BlackBerry UEM and BlackBerry stock. For a work from home workforce, the value of this software package is clear. It is designed to help you increase the productivity of your mobile workforce while ensuring the full protection of your business data.

It is true that this push toward working from home has been brought on by the necessities of dealing with the coronavirus. But this is where technology has been bringing us anyway.

Even after the crisis ends, the working from home movement may very well accelerate as one of the lingering effects. Once again, this benefits BlackBerry's UEM business.

BlackBerry stock price outperformed the TSX because of the promise of its technology

Offsetting this is BlackBerry's QNX segment. This segment will hit a speed bump due to the coronavirus. This is the business that provides the software for connected cars. It includes driver assistance software, including software that will eventually mean self-driving cars. This segment accounts for 21% of BlackBerry's revenue.

The coronavirus crisis represents somewhat of a speed bump for this business for one reason. A dramatic decline in global automotive production has taken hold. This will certainly hit results.

But I am keeping my eye on the stock price potential for the long term. The future of the auto industry is more about software than hardware. BlackBerry has a leading position here and we can expect penetration to steadily increase.

BlackBerry's investment into cybersecurity through its Cylance acquisition is another area of strong potential. The cybersecurity industry is a fast-growing industry that's estimated to be worth \$300 billion by 2024.

For now, BlackBerry stock is supported by two things: a low valuation and ample liquidity. The company is free cash flow positive with a cash balance of almost \$1 billion on its balance sheet.

Foolish bottom line

BlackBerry stock price is at least holding its own in this market downturn. No, the outperformance in March wasn't a big outperformance. But given the company's risk profile, this seems appropriate.

When times are better, BlackBerry stock price can start to reflect its potential. And when investor risk appetite returns, BlackBerry stock can make its comeback.

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