



Market Rally Alert: BlackBerry (TSX:BB) Stock Could Double!

Description

Investors are pleased with the recent market rally. Stock prices are moving higher, but there are still bargains to be had. One Canadian [tech stock](#) looks like it has *significant* upside.

If you're not up to date, you may be surprised to hear that **BlackBerry Ltd. (TSX:BB)(NYSE:BB)** stock is the next big thing. In fact, it could eventually join tech giants like Google. Yet its current market cap is pegged at only \$3 billion.

In the decade to come, BlackBerry shares could potentially rise *tenfold*. But that's looking at things from a long-term basis. If the recent market rally is [sustained](#), there could be ample near-term upside as well.

BlackBerry is brand new

BlackBerry isn't the company it used to be. In 2008, it held a 20% global market share for smartphones. In 2019, it didn't produce a single phone. If BlackBerry isn't a phone company anymore, what is it?

In recent years, BlackBerry has spent billions to reinvent itself. Today, it's a cybersecurity software company focused on next-gen technologies. This focus should give shares a bump during the market rally.

Historically, BlackBerry's smartphones failed due to poor user interfaces. Compared to an iPhone, using a BlackBerry device felt like using a rotary phone. But what the company didn't fail on was security. Up until their dying days, BlackBerry phones were regarded as hyper-secure products, trusted by celebrities, politicians, and billionaires.

The company has leveraged that reputation to build new security products. But instead of building hardware, the company is focused on software offerings. For example, its Cylance division uses artificial intelligence to detect threats *before* they occur.

The company's QNX platform, meanwhile, secures self-driving vehicles from hackers. It's already installed in more than 150 million vehicles worldwide.

This isn't the BlackBerry of yesterday by any means. The company is now financially stable with a *growing* revenue base filled with high-margin, recurring sales. The market rally could send shares soaring.

Buy the market rally?

The coronavirus pandemic brought stock prices down rapidly. The market rally has brought indices higher, but contrary to perception, this has not been a broad-based increase. Some stocks are soaring, while others remain close to their pandemic lows.

Which stocks are soaring? High-growth stocks like Google and **Shopify**. These companies will continue to grow regardless of a recession or renewed pandemic. BlackBerry fits this mold, even if the market hasn't realized it yet.

Today, BlackBerry stock trades at just 2.5 times sales. Google, for comparison, trades at 5.8 times sales. But a better comparison would be with other cybersecurity stocks. **CrowdStrike**, for example, trades at an astounding 27.2 times sales!

Of course, BlackBerry doesn't deserve these valuations in the near term. Sales traction is just starting for many of its segments. It could take years to fully realize the value of its technology.

Yet the market rally seems to be rewarding tech stocks, specifically software stocks, that can grow sales *regardless* of the economic environment.

With such a large discount versus its larger peers, expect BlackBerry shares to experience a rebound if markets continue higher. Long term, this looks like a great buy-and-hold candidate.

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