



Got \$2,000? Should You Invest in BlackBerry (TSX:BB) or Facedrive?

Description

The **S&P/TSX Composite Index** rose 210 points on October 5. Every Canadian sector enjoyed an uptick, with information technology standing as one of the top three performers. Today, I want to look at two Canadian technology stocks that have garnered attention in 2020. **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) and **Facedrive** (TSXV:FD) stocks have gone in opposite directions this year. Which is the better buy in October? Let's dive in.

Should you still bet on BlackBerry stock?

In late August, I'd discussed whether BlackBerry stock could [regain momentum](#). Shares of BlackBerry have dropped 28% in 2020 as of close on October 5. The stock is down 10% year over year. For years, this stock has attracted investors excited about its potential in the technology space. Unfortunately, shareholders have typically suffered disappointments.

While BlackBerry is nowhere near the player in software that it was in hardware at its peak, the company boasts an impressive footprint in the cyber security space. It bolstered this offering with its recent acquisition of Cylance. In the second quarter of fiscal 2021, BlackBerry reported a loss of \$23 million. However, it did achieve revenue growth of 6% from the prior year. CEO John Chen said that its year-over-year revenue growth exceeded expectations. This is good news amid a challenging environment.

The company possesses an impressive balance sheet. However, its growth is middling in comparison to some of the better-performing tech stocks on the **TSX**.

Is Facedrive worth your attention in 2020?

Facedrive is a newcomer to the Canadian market that has made waves. Its platform offers socially responsible services to local communities. This is a company that is geared to a younger demographic. Its shares have soared 435% in 2020 as of close on October 5. The stock is up 580% year over year. Is it a better option than BlackBerry?

In September, I discussed how Facedrive could [make fortunes](#) for millennial investors in the near and long term. The company released its first quarter 2020 results on July 14. Revenue rose to \$387,901 – up from \$36,027 in the previous year. Meanwhile, its net loss climbed to \$1.49 million from \$828,552 in Q1 2019. At the end of the quarter, the company secured licenses to operate in Orillia, Ottawa, and at Toronto Pearson International Airport.

Investors can expect to see Facedrive's second quarter 2020 results before October 13. Facedrive's sustainable approach has earned goodwill, but it is already facing competition from giants in this sector. **Uber** recently announced its intention to make its entire fleet electric by 2030. Like the fintech challengers in the 2010s, rideshare up-and-comers like Facedrive will have to find ways to sidestep this moves that aim to quash its advantage.

Verdict

Facedrive is just getting warmed up and it is already facing a stiff challenge from a huge competitor. Meanwhile, BlackBerry has consistently failed to generate momentum while offering promising exposure to sectors like cyber security and automated vehicle software. Shares of Facedrive last had an RSI of 33, putting it just outside of technically oversold territory.

Those on the hunt for an explosive growth stock should still consider Facedrive. BlackBerry is the better option for investors with patience as its exposure to these sectors should pay off in the long term.

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2. TSX:BB (BlackBerry)
3. TSXV:STER (Facedrive Inc.)

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