

# BlackBerry (TSX:BB) Joins Forces With Amazon, Shares Skyrocket: Should You Buy?

## Description

Don't look now, but **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock just [blasted off](#), soaring as high as 58% before pulling back viciously intraday, punishing investors who chased the upward spike sparked by news that the company had entered a multi-year deal to create and market a vehicle data platform named IVY with none other than the great **Amazon.com** ([NASDAQ:AMZN](#)) Web Services (AWS).

The deal reportedly will allow BlackBerry to leverage AWS' powerful suite of Internet-of-Things (IoT) and machine-learning technologies to use in developing the IVY platform.

## BlackBerry stock skyrockets, plunges in a day

After retreating to close up just over 18% to \$9 and change, BlackBerry stock gave investors a heck of a [rollercoaster ride](#) on Tuesday. If you chased the name on the spike, you probably got hurt, as speculators rushed in and rushed to the exits for no good reason. The IVY news is a massive deal. And you can bet that with AWS joining in on the effort that the project will make a major splash.

As investors ponder the bombshell announcement, BlackBerry stock is likely to continue to be a double-digit percentage mover in both directions. While the name is not for the faint of heart, if you're willing to commit to holding the stock for at least a few years, only then should you look to scoop up shares on the IVY platform.

## BlackBerry stock continues to be vastly misunderstood by a majority of investors

Now, I've often referred to BlackBerry as one of the most misunderstood stocks on the entire **TSX Index**. It was a name that begged for patience. Still, given the numerous moving parts, the name was unsuitable for most investors who lacked the patience and conviction as folks like Prem Watsa, one of the longest-term investors in Canada.

The latest IVY announcement further complicates BlackBerry's turnaround. But it's also a much-needed shot in the arm for the stock that had lost the confidence of many investors who've grown fed up with the perennial underperformer. In a prior piece, I've noted that those who believed in BlackBerry CEO (and known turnaround artist) John Chen should stick with the name through thick and thin and be willing to look wrong until a sudden pop were to happen.

The ~60% single-day surge that happened on the same day as the ~25% plunge tells me that investors still don't get the BlackBerry turnaround story. Undoubtedly, investors got excited when they heard Amazon being associated with BlackBerry.

The IVY joint effort, while major, is not a sign that BlackBerry is out of the woods yet with its continued transformation. IVY could certainly assist in propelling the turnaround story out of its funk. However, the company still needs to prove itself to investors that it can sustain growth across other areas of its business following the disruptions brought forth by the pandemic.

## The Foolish takeaway

With an improving auto environment and an ambitious new initiative in IVY, BlackBerry stock is back on the map with investors. Sure, BlackBerry hasn't yet proven it can sustain organic growth, given recent setbacks. But with the stage that looks set for a glorious recovery, though, I'd be inclined to bet on the stock here.

BlackBerry is one of few exciting companies with a front-row seat to "sexy," lucrative tech markets and a price-to-book (P/B) multiple below two. QNX is looking up, and now IVY is something for investors to get really excited about.

In short, BlackBerry's a sexy stock that became that much sexier following news of IVY. The valuation remains depressed, so betting on the stock here certainly isn't the worst idea in the world if you are, in fact, a long-term investor.

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**Date**

2025/08/23

**Date Created**

2020/12/02

**Author**

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