



## Why BlackBerry Stock (TSX:BB) Soared 19% Yesterday

### Description

**BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#))** stock has been an undervalued gem for a long time. It has been greatly underappreciated, but this could finally be changing. BlackBerry stock rallied 19% yesterday. [In my view, this was a long time coming.](#) It's a sign of things to come.

### BlackBerry stock rallies on Amazon deal

Amazon Web Services is one of the most “comprehensive and broadly adopted cloud platforms.” So the good news yesterday travelled quickly. BlackBerry and Amazon signed a multi-year agreement. They will develop and market BlackBerry’s Intelligent Vehicle Data Platform, IVY. It is a deal that has many implications, all of them positive.

For example, it’s a clear vote of confidence in BlackBerry’s technology. BlackBerry IVY has the capability to enable the different parts of a car to communicate with each other. It can offer predictive insights and inferences. This will enable your car to be the ultimate driving partner.

Also, BlackBerry’s IVY platform will provide a certain commonality for all automakers. This standardization of vehicle data will foster even more innovation. It will also accelerate the growth of the connected car industry. New apps and services will flourish under this new arrangement.

BlackBerry IVY will be the standardized platform across the auto industry. Therefore, the industry and BlackBerry will explode.

### BlackBerry’s past mistakes fade away

Even before this deal, BlackBerry’s expertise was impressive. You can say that the company mismanaged the smartphone business. But you could never say they lacked the expertise or the quality. The company’s mistake was related to understanding the smartphone market. BlackBerry did not foresee where it was going. They did not keep up with changes. They made the wrong call.

At one point, BlackBerry had 50% market share in the U.S. and 20% globally. BlackBerry was the first smart phone. But its smartphone was marketed to business professionals. Therefore, BlackBerry was not ready when the i-phone touchscreen was introduced. And well, the rest in history. Complacency and a neglect of the consumer market was its downfall.

## The two very lucrative businesses of Blackberry

Today, BlackBerry is pretty much out of the very fickle smartphone business. Instead, it is in two of the most lucrative businesses today. [The cybersecurity industry is huge](#). The machine-to-machine connectivity business is massive. They are both growing fast and they are both here to stay. These are businesses that have strong growth tailwinds.

In the cybersecurity world, BlackBerry is a respected and accredited player. The world is becoming increasingly digitized. Hence, we can see how the cybersecurity industry will see increased demand. And research also suggests that the global cybersecurity market is expected to grow big. It was \$149 billion in 2019. It will be \$210 billion in 2023.

BlackBerry software is in a great many cars. And with this announcement, it will be in many more cars. The global market size is widely expected to increase threefold in the next five years. It's currently more than \$60 billion. It should grow to more than \$180 billion by 2025.

The company has maintained a healthy balance sheet and is ready for the next phase of its transformation.

## The bottom line

BlackBerry stock is finally getting the attention it deserves. And this new multi-year agreement with Amazon is just what it needed. BlackBerry's technology was already second to none. Now the company also has a clear path forward to capitalize on that agreement.

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