



## Is BlackBerry (TSX:BB) Stock Headed for \$20?

### Description

Shares of **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) have been on fire of late, soaring more than 30% last week. The company didn't make a significant news release, nor did it report earnings recently, and so the surge has been a little bewildering, to say the least. The only newsworthy item was the company selling off 90 of its smartphone patents to Huawei — hardly the news that would spark a rally. BlackBerry, after all, has long transitioned out of smartphones over the years and into cybersecurity and software.

But given how quickly the markets move, all it can take sometimes is a little momentum to get the ball rolling, triggering buy alerts and technical indicators giving investors bullish signs. After all, BlackBerry has been undervalued for some time now. Today, it trades at just five times its trailing revenue over the past 12 months. Big tech stocks like **Apple** and **Microsoft** trade at eight and 11 times sales, respectively. Canadian tech giant **Shopify** is trading at an even more obscene multiple — more than 50 times its revenue.

Last month, BlackBerry announced a [partnership with Amazon Web Services](#) (AWS) to work on generating data for automakers using a car's sensors, which sparked some bullishness. But a disappointing earnings report later on would make investors bearish on the stock once again.

For BlackBerry, it's been a struggle to not just generate a rally but to also sustain it. Now, however, with investors buying up the stock again after the dust has settled, it could be a sign that they're realizing this is one of the better buys on the market. After all, the AWS deal isn't going to lead to short-term gains, and it's going to take time to see the results of that flow through to the company's financials.

## Can BlackBerry stock hit \$20?

Last week, shares of BlackBerry came close to hitting the \$15 mark, reaching a high of \$14.70 on Friday. You have to go back to 2018 for the last time the company's stock was trading at more than \$15. But a lot has changed since then. BlackBerry has [acquired cybersecurity and artificial intelligence company Cylance](#), continues to grow its enterprise business, and now has a big partner in AWS.

There's plenty of reason for the stock to be trading not just above the \$6-\$8 range it's been in for much of the year but also higher than \$15. Reaching \$20 this year is certainly not out of the question. While I wouldn't hold out hope on that happening in the next few weeks, all it could take is some more positive news or a slightly improved earnings report that gives the stock the added boost that it needs to reach yet another new high.

## Should you buy BlackBerry stock today?

BlackBerry is still a well-priced stock that's worth taking a chance on today. Its reputation for cybersecurity remains strong, and many companies have trusted it with their data, including the U.S. government. The company is in a great position to benefit from people working remotely and a growing need for cybersecurity, as well as the evolution of self-driving cars. This can be a great growth stock to hold in your portfolio for many years.

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