



Should You Take Profits in BlackBerry Stock?

Description

BlackBerry ([TSX:BB](#))(NASDAQ:BB) stock skyrocketed into the stratosphere on the back of numerous pieces of good news that have flown in over the past several weeks. After many years of underwhelming underperformance, the Canadian deep-value play is finally back in the spotlight of the mainstream financial media.

While it's impossible to tell if the incredible streak of [good news](#) will continue, I still think the name is a cheap way for longer-term growth investors to punch their ticket to some of the hottest sub-industries of tech, most notably the white-hot cybersecurity scene.

BlackBerry stock is still cheap!

While BlackBerry stock remains far cheaper than many of its peers in the space (the stock trades at 8.2x revenues at the time of writing), most analysts are probably going to feel reluctant to upgrade their rating on the name from "hold," as they want to see the company prove that it can post meaningful and sustainable organic growth. As I noted in prior pieces, though, I think analysts are going to feel the pressure to upgrade the stock after the fact, as the stock could still have plenty of room to run if shares are, in fact, finally being re-valued to the upside.

Moreover, I wouldn't discount the longer-term potential behind the vehicle-data project IVY. BlackBerry's collaboration with the disruptive **Amazon.com** Web Services is a pretty big deal, and it certainly reeks of long-term growth potential.

Shares of BlackBerry haven't looked this exciting in quite a while. And while the name may be less ripe for picking after the latest parabolic surge, I would encourage Canadian investors to nibble into a partial position today with the intention of adding to one's stake on a pullback, as I believe there's a pretty high chance that BlackBerry stock could be headed for new heights over the next few years once its ambitious growth endeavours begin to yield meaningful fruit.

Of course, there are likely going to be huge bumps in the road, and that's why I'd encourage just getting a little bit of skin in the game as the BlackBerry trade continues to heat up.

Is it too late to load up on BB stock after its parabolic surge?

Even after BlackBerry stock's parabolic move, the stock is still comparatively cheap at just over eight times sales. If the recent slate of good news is to spark a further re-valuation to the upside, shares of BB may just be getting started. Given the nosebleed-level valuations on other "sexy" tech plays (some hot tech stocks sport price-to-sales multiples in excess of 20x?), I don't think it's far-fetched to see BB stock surging to levels such that it trades at 15-20x sales.

Foolish takeaway on BlackBerry

If you're easily rattled by volatility, BB stock is not going to be your cup of tea. The stock is likely to see more than its fair share of booms and busts in 2021. That said, I do believe that those who put up with the elevated ups and downs with the name will ultimately [come out on top](#) over the long-term.

While I'd personally prefer waiting for a more attractive entry point, I am certainly not against the idea of accumulating BlackBerry shares at today's levels, given the medium-term catalysts that could kick-in once COVID-19 is conquered.

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Date

2025/07/30

Date Created

2021/01/25

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