



Don't Blame Reddit Users: BlackBerry (TSX:BB) Stock Is Still Worth Buying

Description

A recent rally in **BlackBerry's** ([TSX:BB](#))([NYSE:BB](#)) shares has become one of the hottest topics in the financial world today. Some news reports suggest that its rally has nothing to do with fundamentals, and instead, it's completely fueled by some Reddit users. Is BlackBerry's stock still worth buying? Or could it reverse direction to the downside anytime soon and result in a whipsaw? Let's find out.

BlackBerry stock: Is it all about Reddit users?

In the last few years, social media has changed how we spend our free time, communicate within society, and consume news. In this era when social media platforms like **Facebook** and **Twitter** are capable of impacting the presidential election results, it's not wise to completely ignore social media's impact on the stock market.

Many investors who'd bought BlackBerry stock late last year for other reasons might be thinking of booking profits now, as they fear a whipsaw after the reports of the Reddit forum fueling its stock price rally came out. However, you can't continue to solely blame a social media forum for making this stock rally for a very long time.

After falling by 31% in the first quarter of 2020 due to the COVID-19 fears, BlackBerry stock staged a solid 38% rally in the fourth quarter. These gains already set the stage for a much better 2021 for its stock. While you may blame Reddit users for discussions on how good BlackBerry stock looks right now, it might not be all about Reddit users.

Then what's fueling the rally?

The company has lately increased its efforts to benefit from surging demand for electric and autonomous vehicles. For example, BlackBerry [partnered](#) with **Amazon** Web services to develop and market a scalable, intelligent vehicle data platform called IVY. BlackBerry IVY would allow carmakers to read vehicle sensor data, normalize it, and create actionable insights. Such sensors are mostly deployed in electric, autonomous, and connected cars. That's why I expect BlackBerry's new platform

to be very useful in smart mobility — the future of transportation.

More reasons to buy its stock

Currently, many large mainstream automakers already use BlackBerry QNX — a UNIX-like operating system. That's why the company shouldn't find it very difficult to market the BlackBerry IVY platform to these automakers. If the auto industry widely starts using BlackBerry's new intelligent data platform in cars, it has the potential to boost its financials in the future significantly, I believe. That too without any big incremental marketing costs.

Earlier this week, BlackBerry [expanded](#) its years-long strategic partnership with the Chinese tech giant **Baidu**. Baidu — which is popularly called China's Google — will allow BlackBerry to run its high-definition maps on BlackBerry's QNX Neutrino OS. The Chinese mainstream carmaker **GAC Group** will use these maps with BlackBerry's OS in its mass-produced electric cars.

I don't need to tell you how fast the electric car market is growing — especially in China. That's why I think this partnership could be a big game changer for BlackBerry.

Final thoughts

Apart from these fundamental updates, BlackBerry also recently settled its years-long disputes with Facebook. Even after looking at all these BlackBerry-related recent updates, if someone still solely blames Reddit users for making its stock rally, then they might be ignoring the company's future growth potential. While I won't deny that BlackBerry stock might be a risky buy at the current market price for the short term, it could still be an absolutely amazing stock to buy and hold for long-term investors.

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Author

jparashar

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