



BlackBerry Stock Has Tripled This Month: Why It Could Go to \$50 This Year!

Description

What a parabolic move we've seen in **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) shares recently! Since the beginning of this year, shares of the software maker have tripled. Investors who have stuck with BlackBerry since March of last year have experienced a near-600% return!

To think this stock could double again is certainly not out of the question. Indeed, I think it's entirely within the realm of possibility that BlackBerry shares soar to \$50 this year.

The momentum behind this stock appears to be unstoppable right now. With capital flows finally coming back to this former **TSX** darling, I think we could see institutional money drive this stock to higher highs. Additionally, I think the following factors are likely to accelerate this growth over the near-term.

BlackBerry still cheap, relative to its tech peers

At the time of writing, BlackBerry is trading around 10 times sales. That's expensive for almost any sector. However, for growth-oriented technology companies in the software sector, some would say that's cheap right now.

One doesn't need to look very far to see other similar growth companies with valuations that are five or six times as high as BlackBerry's right now. Given the potential for outsized earnings growth on the horizon, BlackBerry also has tremendous potential to grow into a much cheaper valuation in the coming quarters. I think the market is factoring in some significant near-term outperformance right now.

This stock has seen a multiple expansion on the basis of backward-looking results. However, if BlackBerry is able to post some impressive top and bottom line results in the coming quarters, this stock has a tremendous amount of room for further capital appreciation on the basis of its growth profile.

BlackBerry hasn't scraped the surface yet with its core software products

The distinction between how big the market is today for connected vehicles, and what the market will ultimately be 10 years from now is key. BlackBerry's core software products target a growth area of the market with secular tailwinds that are extremely strong and durable. BlackBerry simply hasn't even scraped the surface yet in terms of its growth potential.

BlackBerry's [partnership with Amazon](#) is the lynchpin for BlackBerry's long-term growth thesis right now. I think there's a lot to like about this partnership for investors with a long-term view. Amazon is a company with the deep pockets and the growth incentives to take BlackBerry's technology mainstream. Prior to this deal, BlackBerry is just a niche producer of a software suite with no real avenue for distribution. Now, BlackBerry has become a player in this space because of this partnership.

BlackBerry's growth thesis is not only attractive, but realistic today. There's a reason this stock popped, and I don't think the market is wrong right now.

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