



## Is BlackBerry (TSX:BB) Stock Still a Buy?

### Description

**BlackBerry (TSX:BB)(NYSE:BB)** stock has been on a torrid run of late, skyrocketing well over 200% in just the past three months. It started with an announcement last month that the company would be partnering with **Amazon** to help [generate data for automakers using a vehicle's sensors](#). But most of the gains came this month, even though BlackBerry didn't issue any significant press releases that would have justified such a rally. While some analysts will say the rise in January was due to a patent settlement with **Facebook**, terms of that weren't disclosed and it's hard to believe that would be the reason for the stock rising to highs it hasn't reached since 2011.

The markets have been erratic over the past year, and sometimes there just isn't a clear explanation of why a stock takes off as there are more retail investors buying shares now and that can lead to more speculation. Struggling retailer **Gamestop**, for instance, has seen its share price surge more than 600% in January. This is largely attributed to a short-squeeze where short-sellers have been covering their losses, and that's led to some incredible momentum for the stock.

These market movements are extreme, and that's why, when I saw people were willing to buy BlackBerry shares for \$24, I was more than happy to sell and make a profit that was more than double the initial investment I made more than a year ago. After all, what can quickly rise in value can also quickly fall back down. And without any groundbreaking news to suddenly made BlackBerry a must-buy, it wouldn't be surprising to see the stock fall back down in the weeks ahead.

## Is it too late to buy BlackBerry stock?

[At a price of more than \\$20](#), it's hard to justify buying shares of BlackBerry. While the business is great, and I wouldn't rule out buying shares again in the future, the company still has a long way to go to prove that it's worth what it was nearly a decade ago when it was still known for its smartphones. Lagging sales numbers and a lack of profitability are just a couple of reasons this can be a frustrating stock to hold on to. And although the Amazon deal will help improve its financials, it's far too early to tell how much of an impact that will make and how long it'll be before those sales start coming in.

With a lot of growth still ahead for the company, it isn't too late to buy BlackBerry stock — but now isn't

the time to do it. Once earnings come around or when the markets settle down, things will likely come back down to reality, as will BlackBerry's share price. At that point, it may be worth re-examining whether it's a worthwhile investment. But with its incredible rise this year, BlackBerry is just too hot of a buy right now. At its current price, it would be difficult to expect much more of a return from the stock, and it's likely to have peaked, at least for the time being.

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