



MARCH OUTLOOK: Why BlackBerry (TSX:BB) Stock Lost 28% in February

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock fell sharply in February. It lost more than 28% last month against a 4.2% rise in the **S&P/TSX Composite Index**. Despite its big losses in February, BB stock is still up by 52.5% on a year-to-date basis. This was mainly due to its massive 112% January rally. Let's find out what hurt BlackBerry investors' sentiments last month that drove its stock down by nearly 30%.

BlackBerry stock fell in February

The year 2021 started on a slightly unusual note for BlackBerry. Its shares started surging after getting a mention on WallStreetBets — the infamous Reddit community. The Reddit group members were [blamed](#) for squeezing the shorts and triggering a buying spree in selected heavily shorted stocks like BlackBerry and **GameStop**. However, this argument might not be completely responsible for all its January gains. While this Reddit trading mania could be responsible for suddenly increasing the volatility in BlackBerry stock, but the company had many internal positive factors to support its stock rally. I've discussed some of these positive factors later in this article.

In February, **Ford** announced that it'd start using Google Android in its cars instead of the BlackBerry's QNX platform. This move is likely to hurt BlackBerry's financials in the short term, as Ford is one of the biggest clients for the QNX platform. This could be one of the reasons why BB stock fell sharply last month.

However, I don't expect this factor to be a major setback for BlackBerry in the long term. The company is not solely focused on providing an infotainment platform to automakers. Its years of focus on security software and artificial intelligence would help it stay ahead of the competition and get more customers in the long run.

Key positive factors

In January, BlackBerry settled its patent-related disputes with the American social media giant **Facebook**. The Canadian company has been trying to expand its offerings for the automotive segment

— especially electric and autonomous vehicles. It partnered with **Amazon** Web services in December to develop its integrated vehicle data platform called BlackBerry IVY. This platform would improve the functionality of automated vehicles and EVs (electric vehicles) by allowing automakers to access and utilize vehicle data in real time. BlackBerry IVV could play an important role in the future of smart mobility as more automakers and tech companies start adopting new technology to offer better in-vehicle services to their customers.

BlackBerry also expanded its partnership with the Chinese tech giant **Baidu** in January. The partnership would allow BlackBerry Neutrino operating system to be used in upcoming mass-produced EVs in China. The move is likely to help BlackBerry increase its footprint in the world's largest automotive market.

Is BlackBerry stock still a good buy?

BlackBerry is expected to report its Q4 results in the final week of March. Investors' high expectations from these results could help its stock recover during the month.

In the year 2020, we saw how the rising demand for EVs drove a massive rally in many companies' shares (like **Tesla**), despite the global pandemic. Experts predict the 2020s to be the decade of EVs, smart mobility, and autonomous cars. Investing in companies focusing on these top emerging trends of the decade could be a [great idea](#) to get rich. That's why I consider a recent drop in BlackBerry stock to be an opportunity for long-term investors to buy this great EV technology stock cheaper.

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