



Meme Stocks: Why BlackBerry Could Go Parabolic Again

Description

This year, [meme stocks](#) are grabbing the attention of social media-savvy retail investors. Canadian meme stock **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is one such company. This software-focused enterprise now boasts a renewed level of investor interest following a parabolic move in late January.

Canada has a number of high-growth companies in the technology sector to consider. However, BlackBerry is one that has always seemed just one deal shy from joining the big players once again. Since its Reddit-induced highs, BlackBerry stock has since settled down. However, the underlying growth thesis in this stock isn't dead.

This makes BlackBerry an exciting play right now, trading around \$12 at the time of writing. Here is why I think the company has the potential to resume rising once again.

BlackBerry's growth potential bullish for long-term investors

Since crossing the \$35 mark during the Reddit short squeeze in late January, BlackBerry prices have plummeted. Shares are approaching one-third of their meme-frenzy highs. At its current valuation, BlackBerry is now trading at a price-to-sales multiple of six and a price-to-book multiple of 3.2 — numbers very in line with that of a growth stock.

However, this is not necessarily a proper reflection of BlackBerry's long-term growth potential. Its QNX Software division is doing fantastic, being one of the first commercially successfully microkernel OS platforms. This Intelligent Vehicle Data (IVD) platform is being used in many automobiles, with its global market size expected to increase three-fold in the next five years. This is just one of BlackBerry's promising ventures.

BlackBerry is also a play on the cybersecurity space — a sector that is in huge demand right now. Independent research suggests that the global cybersecurity market will grow to \$210 billion by the end of 2023. I think these clearly paint a promising picture of the robust long-term growth prospects of BlackBerry.

Amazon Web Services partnership is a crucial catalyst

I think the **Amazon** deal will play a massive role in taking its IVY platform to new heights. As mentioned above, connected cars are the future. Indeed, I believe the IoT trend has only begun to take off. If BlackBerry can successfully capitalize on this deal, the company and its investors are placed at the forefront of creating a transformative future for connected cars.

Following the strategic shift away from hardware, BlackBerry has been successful in transitioning into a software-focused company led by CEO John Chen. While some investors are worried about short-term performance, I think this company has tonnes of long-term potential, with AI-powered technology gaining mainstream popularity.

Accordingly, growth investors looking for a company with a strong catalyst have one with BlackBerry.

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