



## Top Tech Stock for April 2021: BlackBerry (TSX:BB)

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock is picking up some serious negative momentum of late. It's a falling knife, and it could continue nicking those who attempt to reach for the name. The WallStreetBets frenzy is now over, and strong-handed investors (so-called diamond hands on Reddit's WallStreetBets forum) are dealing with the aftermath of the selling spree and the latest underwhelming quarterly report, which saw weakness across the board.

Whenever you're dealing with a fast-falling knife like BlackBerry stock, it's only prudent to dollar-cost average into a full position. The negative momentum may continue, and the huge gains posted in 2020 could be surrendered at the hands of Mr. Market. At this juncture, it looks like the WallStreetsBettors aren't thinking about driving up shares "to the moon," at least not anytime soon. So, if you're looking to speculate, there are far better opportunities out there like Bitcoin.

Before the historic [boom](#) that put BlackBerry at the top of headlines, the stock had been a perennial underperformer. The turnaround hasn't gone as smoothly, and even the longest-term of investors like Prem Watsa, a man known as the Warren Buffett of Canada, hasn't had much to show for his time in the stock.

### BlackBerry: The long road to recovery

As the pivot continues, analysts would rather adopt a wait-and-see approach before slapping BlackBerry stock with a "buy" rating, and who can blame them? It's been a slow turnaround, and there have been major bumps in the road, with the latest one being due to COVID-19, which weighed heavily on the QNX business.

Despite the road bumps, I think BlackBerry will ultimately be successful with its historic turnaround. I don't think it's too far-fetched to think that the name could be among the biggest turnaround stories of the 2020s. Despite promising recent developments, most notably the collaboration with **Amazon** Web Services (AWS) on project IVY, I suspect that BlackBerry stock will remain a name that will beg for investor patience and a high pain tolerance.

That's why I've previously noted that BlackBerry is not a stock for the average investor, especially in an era where people like those who post at WallStreetBets, is hungry for gains and is willing to go "YOLO" (you only live once) to strike it rich.

## Another rough quarter for BlackBerry

After revenues plummeted by 25% year over year, it's tough, even painful, to continue holding on to BlackBerry stock. And with the firm slated to dispose of mobile device, messaging, and wireless networking patents, the road to sustained organic growth could be a tough one for BlackBerry to get back on.

Despite the QNX business's ongoing recovery from the COVID-19 crisis, the global semiconductor shortage could continue to weigh on car production. And with that, the demand for QNX. Undoubtedly, headwinds could continue to persist into year's end, but the valuation does look enticing after the recent boom and bust.

BlackBerry stock trades at a modest 5.4 times sales. Still, analysts are waiting for the firm to prove itself, hence the large number of sell ratings on the name, with an average price target of \$10.87, which implies just 3% worth of upside from current levels.

## Foolish takeaway

BlackBerry is a complicated story with a lot of moving parts. There's [deep value](#) to be had for long-term thinkers, however. But don't expect the stock to correct to the upside anytime soon. If you're a firm believer in the company and would buy more if shares were to get cut in half again, only then would I be a buyer at these levels. Short-term investors need not apply.

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