



1 Must-Buy Electric Vehicle Technology Stock in May 2021

Description

Canadian stocks have started May 2021 on a positive note, as the **S&P/TSX Composite Index** inched up by nearly 2% in the first week. It could be a great time to buy some technology stocks that are going through a downward correction for the last few weeks. Let's take a closer look at one such amazing TSX tech stock that is readying to gain big from the upcoming electric vehicle revolution.

BlackBerry stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) started 2021 on a solid note, as its stock rallied by nearly 113% in January. The stock shed some of these gains in the next couple of months, as it fell by 28% and 18% in February and March, respectively.

While a major portion of BlackBerry stock's January month gains could be attributed to the infamous [Reddit trading mania](#) that triggered a rally in many stocks like **GameStop** and BlackBerry. Nonetheless, BlackBerry's fundamental outlook remains strong, as its management continues to focus on benefiting from the rising sales of electric vehicles (EVs).

Focus on electric vehicle technology

The demand for EVs has significantly increased in the last few years. Most global mainstream automakers are racing to expand their EV portfolio significantly to gain big from the consistently surging demand. To make their cars more appealing to consumers, automakers like **Tesla**, **General Motors**, and **Volkswagen** are also adding autonomous capabilities to their cars.

While car production is a capital-intensive task with low-profit margins, developing the technology for EVs and autonomous cars is a relatively highly profitable business. This is exactly where BlackBerry is trying to excel. The company's QNX real-time operating system is already being used by most large auto companies across the world. BlackBerry is now also developing solutions exclusively for electric and autonomous cars.

In the fourth quarter last year, BlackBerry tied up with **Amazon** Web Services to develop an integrated data platform for electric and autonomous cars. BB also [expanded](#) its partnership with the Chinese tech giant **Baidu** in January. This partnership would allow the use of BlackBerry's QNX Neutrino operating system in mass-produced electric cars in China — the world's largest EV market. QNX Neutrino platform is focused on enhancing the capabilities of next-generation autonomous cars.

Why buy its stock now?

BlackBerry stock is currently trading with 21.8% year-to-date gains — higher than the nearly 12% rise registered by the TSX Composite benchmark this year so far. After facing major declines in February and March, I find BlackBerry stock undervalued based on its fundamental outlook.

Also, BlackBerry stock reached near its long-term support range between \$9.80 and \$9.10 per share last week. Buying a stock near its long-term support level could prove to be a strategy, as most stocks tend to bounce back from these support levels. That's why buying its stock here could help you get good returns on your investment in the long term.

Foolish takeaway

Apart from the ongoing fundamental trends, we should always consider a company's future growth potential while making investment decisions. The demand for electric and autonomous cars has just started rising. This demand trend is likely to accelerate further, as the availability of cheaper EVs and autonomous cars increases in the coming years. That's why you may want to be a part of the upcoming EV and autonomous car revolution by investing in technology stocks like BlackBerry.

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Date

2025/08/25

Date Created

2021/05/10

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