



## Why BlackBerry Stock Could Double From Here

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has attracted the attention of retail investors for some time now. However, the meme stock hysteria we saw play out earlier this year was truly incredible.

Shares of this company skyrocketed more than 400% over a very short period of time, surging above \$35 for the first time in approximately a decade. This move has indeed turned out to be short-lived, with shares now down near the levels BlackBerry started the year.

What to make of all this?

Well, let's dive into the [fundamental case](#) for why some of the optimism around BlackBerry may not have been misplaced.

### Why BlackBerry stock took off

Yes, the speculative mania took nearly every high-growth stock on a nice ride earlier this year. And companies like BlackBerry with higher than market average short interest took off to a greater degree.

However, apart from these factors, one must consider the other reasons investors may have been enticed to jump aboard. If that particular thesis hasn't changed, one might view the recent downside move as a buying opportunity.

BlackBerry's core cyber security-focused suite of software products in itself provides sufficient growth potential to get investors excited. However, a recent deal with **Amazon** really re-shapes the growth argument for this stock.

Amazon and BlackBerry are teaming up to develop BlackBerry IVY. This software platform is set to be a transformative piece of the IoT and connected vehicle space. This is the kind of growth sector investors want to be in right now. Accelerating growth alongside a backer like Amazon certainly makes for a very intriguing bull thesis for BlackBerry stock today.

Additionally, BlackBerry's earnings, on the whole, were quite good. One-time reductions in revenue due to patent negotiations resulted in a recent miss. As we've seen with so many players of late, even earnings beats are welcoming selling, as the growth bar is set increasingly higher these days.

## Bottom line

My view on BlackBerry is that this stock remains an [undervalued](#) growth play. On the basis of the company's valuation, BlackBerry remains cheap relative to its peers. Additionally, I view BlackBerry's potential growth profile as superior to that of a few months ago. In some sense, I think the buying pattern we saw at the beginning of the year was warranted with this stock.

With most of the speculative drivers out of the way, I think BlackBerry investors have a solid case for owning this stock at these levels. Unless anything material changes, BlackBerry could be a growth stock that outperforms the market this year.

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