BlackBerry (TSX:BB) Stock: Could it Reach $100 in 2021?

Description

Meme stocks are in today, especially with younger retail investors. Unfortunately, the new concept is more like a game for this army of Reddit traders. They lock horns with Wall Street hedge funds and ruin their short positions at the same time. They scoop shares of companies with high short interest to bring the prices to the moon.

Meme investing can be very risky. The price surges are not due to fundamentals but viral interest online. Hence, the chances of losing, instead of earning big bucks, are higher. You have to be *very* careful. The speculative assets could lose their value in a wink of an eye. Viral engagement creates superficial price increases followed by an inevitable crash.

Lead stars

GameStop and **AMC Entertainment** are the lead stars in the meme saga in 2021. Their share prices skyrocketed to astronomical levels despite the struggling businesses. The year-to-date gains are 1,086.78% and 2,764.62%, respectively. **BlackBerry** (TSX:BB)(NYSE:BB) is a potential target of both short-sellers and meme investors.

The tech stock's year-to-date gain (+96.8%) and trailing one-year price return (140.03%) pales compared to GameStop and AMC. Still, could it be possible that its current share price of $16.61 soar to $100 in 2021? Some market observers say BlackBerry is one of the stocks with a high risk of experiencing a short squeeze next.

The BlackBerry difference

Besides AMC, BlackBerry is widely held on the Robinhood platform. The U.S. movie theater chain struggles because business is virtually zero in the pandemic. On the other hand, BlackBerry continues to secure deals one after the other. It generates revenue from software and services that are in demand, notwithstanding the health crisis.

The competition in the unified endpoint management (UEM) industry is fierce, although patronage of BlackBerry Spark is gradually increasing. The core product is a combination of UEM solutions and a suite of endpoint security software. Clients can better manage and protect devices (desktops, mobile), applications, identity, and data using the AI-powered platform.

Growth catalysts galore

BlackBerry specializes in cyber-security enterprise software and the Internet of things which has become a vital need in the 21st century. The $9.4 billion company is a trend-setter. The latest U.S. Healthcare Cybersecurity Market report by Frost & Sullivan names BlackBerry an innovator in connected care systems.

University Health Network (UHN) has chosen BlackBerry Spark to protect its entire public research and teaching hospital network. The latest collaboration is with BITECH Automotive in China. Changhan Automobile's mass-produced SUVs will have a new digital cluster embedded with BlackBerry's QNX Neutrino Real Time Operating System (RTOS).

BlackBerry is now the market leader in car operating systems. It should cement its industry-leading position through the QNX operating system. In March 2021, it announced a joint venture with **Amazon's** cloud computing subsidiary AWS Services. The partners will develop BlackBerry IVY, a software platform that will improve car performance and aid drivers. Once successful, IVY should be available to all carmakers.

Tangible signs

Unlike GameStop and AMC Entertainment, BlackBerry Limited has sound fundamentals and several growth catalysts. Management expects to return to normal revenue run rate by mid-fiscal 2022. There are tangible signs the current share price could double or triple by year-end.

However, a $100 target is still a long shot unless meme investors create another drama that involves BlackBerry.

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