



This 1 Hot Reddit Stock Could Rally This Friday

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has been one of the most favourite stocks of Reddit's WallStreetBets traders in 2021. The [Reddit trading frenzy](#) helped the company start 2021 on an absolutely stunning note, as it rose by 113% in January before partly shedding these gains in the next few months. However, the Reddit traders have become active again in the last month, triggering a rally in BlackBerry stock. That's one reason why its stock on **TSX** has risen by 55% in the last month.

BlackBerry is set to announce its first-quarter-of-fiscal-2022 results on Thursday evening. Here's the main reason why I expect this Reddit stock to rally later this week or in the coming weeks.

BlackBerry's Q1 earnings event

In the fiscal year ended in February 2021, BlackBerry reported a 16.4% decline in its revenue to US\$919 million. On the positive side, its adjusted net earnings rose by 38.5% to US\$0.18 per share from a year ago. In the fiscal year 2021, nearly 70% of BlackBerry's total revenue came from the software and services segment, while the remaining 30% came from other segments, including licensing.

While I don't expect an immediate major change in its revenue or earnings-growth trend, some updates on the company's future growth plans would be among the key things to watch during its Q1 earnings event.

Key things to watch

In the last year, BlackBerry has accelerated its development of technology for autonomous and electric vehicles. Earlier this year, the company expanded its partnership with the Chinese tech giant **Baidu** — to target the world's largest electric vehicle market. This expanded partnership would allow further expansion of BlackBerry's QNX real-time operating system in the Chinese market.

In December 2020, BB partnered with **Amazon** Web Services to develop an integrated vehicle data

platform called BlackBerry IVY. This data platform would allow automakers to access real-time sensor data from vehicles. Automakers can then utilize this data to provide better in-vehicle features and security to their customers. As I've noted in some of my recent articles, such data platforms would play a critical role in futuristic autonomous and electric vehicles.

Yesterday, the Waterloo-based tech firm [said](#) that it's forming the BlackBerry IVY Advisory Council "to accelerate the BlackBerry IVY development community by focusing on the creation of high-impact technology use cases and solutions that leverage in-vehicle data." In tomorrow's earnings event, BlackBerry's management might provide more detailed updates about recent developments related to the BlackBerry IVY platform.

Overall, any significant positive update about BB's plans to benefit from surging autonomous and EV demand could boost investors' confidence and drive its stock higher, I believe.

Should you buy BB stock right now?

Investors with a high-risk appetite may consider buying the BlackBerry stock right now, as I find its stock undervalued based on its future growth potential. However, the extremely high volatility in its stock prices due to the ongoing Reddit trading mania make it a risky bet for investors with a low-risk appetite. Such investors may consider buying other cheap high-growth stocks instead.

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Date

2025/08/18

Date Created

2021/06/23

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