



## Reddit Trading Frenzy: Is BlackBerry Stock Worth Buying Without it?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has attracted a lot of criticism this year after it became one of the most favourite stocks of Reddit traders. Bears credit the recent Reddit trading mania for driving most of the recent gains in its shares. While BlackBerry stock has been one of the most discussed stocks on the subreddit WallStreetBets, I believe the stock couldn't have sustained these gains if there was no fundamental basis to its massive gains. Let me explain why I find [BB stock worth buying](#), even after the Reddit trading frenzy ends.

### BB vs. other tech stocks

Most Canadian [tech stocks](#), including **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), have seen a big rally in the last few years. Shopify's easy-to-use e-commerce platform services have driven massive growth in its financials lately, making its stock really attractive. SHOP's business growth accelerated further when the COVID-driven shutdowns and restrictions encouraged more businesses to build their online presence. That's why Shopify's total revenues rose by 86% last year to US\$2.9 billion.

Unlike Shopify, BlackBerry's business took a hit during the pandemic period, as vehicle demand slumped during that phase. The company's QNX real-time operating system currently powers nearly 200 million vehicles across the world. While the demand for its cybersecurity solutions largely remained stable, lower vehicle demand hurt BB's overall sales.

### BlackBerry's focus on future growth

While the recent trend in BlackBerry's financials may not impress you, several other positive fundamental factors still make its stock worth considering. In a recent [interview](#) with *CNBC*, BlackBerry's CEO John Chen pointed towards BlackBerry's focus on improving its fundamentals with the help of its great product lineup and tremendous customer base.

Despite facing many big challenges last year, BlackBerry kept its focus on new emerging trends that could significantly improve its earnings growth in the coming years. The company partnered with **Amazon**

Web Services last year to develop IVY — an integrated vehicle data platform. Many mainstream automakers have already started showing their interest in IVY while it's still being developed. Similarly, BlackBerry expanded its partnership with the Chinese tech firm **Baidu**. This partnership will allow BlackBerry's QNX Neutrino OS to power Baidu's high-definition maps in mass-produced electric vehicles in China.

These recent steps are likely to help BlackBerry benefit from the futuristic trends in the automotive industry — mainly driven by autonomous and electric vehicles. Moreover, the demand for BlackBerry's enterprise cybersecurity solutions could skyrocket in the coming years, as more businesses consider securing their data and digital presence.

## Is its stock worth buying?

BB stock is currently trading with 76% year-to-date gains after trading on a mixed to negative note for the last three years. In my opinion, investors should pay more attention to a company's future growth prospects than its recent financials — especially in the tech industry.

Given its stellar growth potential, BlackBerry stock could continue its journey upward in the long term, even after Reddit trading mania ends. The company's improving fundamentals and its focus on some of the hottest automotive industry trends are likely to help the stock inch up.

However, I would still suggest conservative investors with a low-risk appetite remain cautious right now due to its extremely high volatility. Such investors can invest in other cheap, high-growth stocks instead, where the risk-to-reward ratio is usually much better.

### CATEGORY

1. Investing
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2. NYSE:SHOP (Shopify Inc.)
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