



Why BlackBerry Stock Could Erupt This Summer

Description

The investment world was abuzz in early 2021 as Reddit users on the r/wallstreetbets board staged a campaign to challenge short-sellers who had targeted **GameStop**. That bold strategy paid off in a big way in late January. The stock soared to an all-time high of US\$483/share and has also gained momentum in early March and late May.

Users on the subreddit also took aim at stocks like **AMC Entertainment**, **Nokia**, and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), with varying degrees of success. Today, I want to discuss why Blackberry stock could be poised for another eruption this summer.

Why Reddit users have taken notice of this stock in 2021

BlackBerry has consistently been the target of short-sellers since it was thrust from its perch atop the smartphone space in the late 2000s and early 2010s. Its shares enjoyed one of the biggest spikes in a decade during the initial Reddit stock craze. Unfortunately, this momentum did not last, and the stock has traded consistently below the \$20 mark since hitting a 52-week high of \$36/share.

Its short interest aside, there are good reasons to look at the Waterloo-based company in the summer of 2021. The company has transitioned into a legitimate player in the software space under the leadership of CEO and turnaround specialist John Chen. Now, there are hopes that it can take some big steps in the years ahead.

BlackBerry has made promising strides in this growing market

Before the Reddit craze in early 2021, BlackBerry made a big announcement in December 2020. Its stock price spiked after it announced a collaboration with **Amazon** Web Services. The collaboration aims to accelerate innovation and further develop BlackBerry's Intelligent Vehicle Platform, IVY.

This collaboration was one of the reasons I was still bullish on BlackBerry stock even after its lost momentum from the [social media craze](#) in early February. Indeed, the automated vehicle software

market is geared up for big growth going forward. Allied Market Research recently projected that the global automotive software market would hit \$43.7 billion by 2027. That would represent a CAGR of 14.5% from 2020 through the end of the projected period.

Cybersecurity is another point of strength for this Canadian technology darling

Last week, I'd looked at two cybersecurity stocks [worth your attention](#). This is another sector that is set to post strong growth over the 2020s. Political and economic leaders were focused on the threat of a cyber pandemic at the recent meeting for the World Economic Forum (WEF). The COVID-19 pandemic accelerated the digitization of our personal and work lives. Unfortunately, this opens the door for more damaging cyber attacks.

BlackBerry has a strong footprint in the cybersecurity space, winning contracts with the public and private spheres. In late June, the company announced that it had reorganized its software services business around two groups – the Internet of Things (IoT) and cybersecurity. John Chen pointed out that it achieved momentum in its SMB market. Its new business pipeline grew 18% in this space.

The company is still facing stiff competition in both [fast-growing markets](#). Still, I'm on board with BlackBerry as it continues to make promising progress in the early part of this decade.

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