



## Reddit Pick: 1 Stock That Might Explode Again

### Description

In rare cases, buying a stock can be akin to buying a lottery ticket. You buy extremely low and get five times to 10 times the returns when the stock explodes. If you cash out on time, you've won the lottery. For stocks with cyclical growth, the returns are usually not on the same scale, but you get multiple chances to win/cash out.

Since the spikes and aggressive highs are difficult to time, most investors prefer to stick with regular, more predictable growth stocks. But if you are planning to harness the potential of relatively unpredictable (and hopefully, explosive growth), you might consider [buying and holding](#) on to the Canadian Reddit stock **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)).

### BlackBerry stock

Thanks to the Reddit phenomenon, which pitted retail investors against hedge funds and institutional investors that made fortunes by shorting certain stocks, BlackBerry stock saw a spike earlier this year. It was not on the same scale as **GameStop**, that is, the original "Reddit stock," but it still catapulted BlackBerry stock over 400% in less than three months.

And it wasn't a solitary surge. From mid-May to early June, the stock grew by almost 100% again and has been normalizing at a relatively slower pace.

But company's recent stock growth spells aren't supported by the financials. The revenue for the first fiscal quarter of 2022 fell quite sharply compared to both the previous fiscal quarter and the first fiscal quarter of 2021.

### Future potential

BlackBerry has lost the market when it comes to its primary product, that is, cellphones. Still, it is gaining traction in another market segment, namely, the real-time operating system for embedded circuits. The operating system (BlackBerry QNX) is now embedded in over 195 million vehicles.

The problem is that this business segment is not enough to sustain the company financially and is having trouble establishing itself in other spheres.

Two other segments BlackBerry is relying upon are autonomous vehicles and IoT; both are longshots at this point. But if the company establishes a sizeable presence in these two markets and regains its former glory for safety and security, it might have multiple reliable revenue streams.

Currently, the company has pinned most of its hopes on the automotive division. It's running 290 plus automotive programs, and its software is already embedded in most of the electric cars being released. If EMV sales gain significant traction and more of BlackBerry's automotive solutions start "hitting the road," the company might see [a significant boost](#) in financials *and* valuation.

## Foolish takeaway

BlackBerry is not like other Reddit stocks with relatively minimal underlying merits is simply primed for a short squeeze. The company *can* turn things around, and even though it might never become what it once was, it might become something new and powerful.

The cybersecurity front of the company is also a promising segment, and a few large contracts can give the company a decent advantage. It's one [tech stock](#) that might explode and take your capital to new heights.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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