



BlackBerry (TSX:BB) Stock Dips Below \$13: Is it a Good Buy This Week?

Description

After [surging](#) as much as \$19 in early June, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock has dipped below \$13. This gap comes, as Redditors and investors cashed out profits. Those who understand how the stock market works know that when a stock price inflates with no fundamental backing, profit booking is imminent. It is like building a castle of cards. Does this mean BlackBerry does not have a strong foundation?

BlackBerry has significant growth potential and is a recommendation of Motley Fool Canada. Growth stocks are good when purchased at the right price.

When [Warren Buffett](#) evaluates a company, he looks at two things: first, he looks at the quality of the company and then the price. I will evaluate BlackBerry on similar lines to understand if the \$13 price is a good entry point.

Is BlackBerry a quality company?

Many investors are prejudiced towards BlackBerry for the 2007 incident when one wrong decision by the founder left the smartphone company in debris. But the company's products were always top on quality. Its messenger technology is in demand to date. The company is also earning some licensing money for its patents.

When assessing the quality of a company, you should read financial statements, conference call transcripts, and management interviews. This is where you will see a company's vision, its roadmap to achieve this vision, and how effective the execution is. Are the efforts materializing into revenue and earnings?

With BlackBerry, the problem is its continued revenue declines, as it struggles to turn around the hardware giant into a software startup. What matters is the road ahead.

BlackBerry's growth prospects

BlackBerry's biggest strength is its products and the product roadmap. The company's artificial intelligence (AI)-driven endpoint security solutions are used by governments and defence departments. BlackBerry CEO John Chen stated that cybersecurity's pipeline is increasing.

But the real growth is in BlackBerry's QNX platform, which is now powering 195 million vehicles globally. QNX revenue growth has been slow, as the pandemic and chip shortage impacted automotive sales. As auto sales, especially electric vehicle (EV) sales, increase, QNX revenue growth could accelerate.

BlackBerry is now focusing on broadening its automotive solutions. It looks to tap the EV and autonomous vehicles (AV) trends. For that, it plans to release an early version of its IVY platform in October and launch it in February 2022. The [platform](#) will collect real-time data on cars and present automotive analytics to third parties like insurance, mapmakers, and EV charging stations. It has received a good initial response for IVY.

BlackBerry is recruiting more sales professionals to sell its products in full swing in the second half of fiscal 2022. The company has its resources and focus in the right direction.

If BlackBerry's products pick up growth, it could become the **Advanced Micro Devices** of the cybersecurity space. AMD's turnaround started showing results in 2015, and in five years, the stock surged 1,380%. Prem Watsa is probably holding on to BlackBerry with the anticipation of such a turnaround.

Which price is right?

Coming to the most pressing question, is BlackBerry stock a buy at \$13? The stock is currently receding from the aftermath of the short squeeze. I expect the stock to fall further to \$11 or below. That is a good entry point to buy BlackBerry stock and hold it for 10 years. The company is in the right business at the right time. The management is firing all the right cylinders. All you need is patience.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/07/07

Date Created

2021/07/19

Author

pujatayal

default watermark

default watermark