



BlackBerry (TSX:BB) Stock: Do This When the Party's Over

Description

Unless you know how to count cards or are clairvoyant, there is a lot of difference between investing and gambling. In gambling, you have to leave a lot to chance and you can't calculate your return potential from past data.

Investment is radically different. You have to look at multiple factors including macro (like the market condition or sector) and stock-specific, to understand and determine the return potential. Many variables that can push a stock away from the path you predicted are still out of your control. But with enough diversification, you can significantly reduce the chances of overall failure and get on track for predictable growth.

And that's what you have to do when you are done "gambling" on Reddit stocks like **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). Because even if you won big with this one [tech stock](#) (potentially somewhere between 300% and 400%), you might not win twice with the same lottery ticket.

Inter-sector diversification

Many investors, when they diversify, try to go out of the sector they either know about or have already invested heavily in. But you don't always have to change sectors for diversification. Even within the same industry two stocks can be radically different and might not suffer from sector-wide problems the same way.

Take **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) as an example, a Toronto-based [software company](#) that is radically different from Blackberry, another stock in the same sector. One is a software company with a specific niche, that is, remote and AI-powered learning for corporate clients. BlackBerry, on the other hand, has expanded out to niches like cybersecurity and vehicle intelligence and automation, after getting burned in the cellphone sector which was once its forte.

Docebo stock started trading just a few months before the pandemic, which is lucky timing since the pandemic helped both schools and organizations realize how crucial remote learning can be. The result is that the stock has already grown over 500% in less than two years. It shot up 100% in the last

12 months alone and it's still moving upwards.

Docebo is a radically different company from BB and offers you enough diversification even within the sector.

Does BB still have potential?

If you didn't buy BlackBerry when it was more discounted than it's now or didn't enjoy the "party" by cashing out at the peak, you might be interested in the [long-term potential](#) and prospects of this once-coveted tech giant.

The problem is that we can't be sure about BB's potential. The company is making strides in a specific niche. One of its products, the ONX is embedded in over 195 vehicles. But it's still a far cry from its golden days, especially in a market segment where it should have shined, that is, cybersecurity. BlackBerry devices were once considered the most secure devices available, and it would have been a natural transition to cybersecurity.

Still, the company is poised for growth as the autonomous vehicles market grows. More and more automakers might start relying on BlackBerry products for their vehicles.

Foolish takeaway

While it's fun and occasionally highly profitable to bet on long shots, it's not a viable investment strategy. Sticking to the tenets of diversification and value-investing might seem unexciting and slow-moving to many investors. But it's still the best approach to slow financial growth and safer retirement portfolios.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:DCBO (Docebo Inc.)

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