



BlackBerry Stock: Should You Buy at \$13?

Description

I've been flip-flopping my view on **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) far too many times this year. The Reddit-driven spikes in the name were [unprecedented](#) and short-lived. While it wouldn't be out of the ordinary to witness a third Reddit-fuelled pop, I wouldn't at all bet on such.

In prior pieces, I've praised BlackBerry stock for being my favourite meme stock out there. Unlike some of the more distressed plays that the short-squeezing so-called "degens" have been backing up the truck on, BlackBerry is actually a [fundamentally](#) sound company with a lot going for it under John Chen.

The slow and steady transformation continues

The transformation into a growthy software company is still ongoing. And it may very well take another two or even three years for the stock to get the slew of analyst upgrades.

Undoubtedly, I think the sell-side analysts, most of whom have hold or sell ratings, will find themselves chasing BlackBerry stock on the way up once the company finally gets organic growth in the spot where it needs to be to entice the skeptics.

But the million-dollar question remains: should you buy BlackBerry and run the risk of waiting a ridiculously long time, potentially with nothing to show for it? Or should you wait for a quarterly result that entices analysts to upgrade the name to a buy?

BlackBerry is one tough stock to own!

Indeed, it's a rocky road en route to awe-inspiring organic growth. Although the last five years of performance may not show it, BlackBerry has taken many steps to turn a corner. Undoubtedly, the COVID-19 pandemic could not have come at a worse time for the firm that was finally showing signs of getting things back on the right track.

While new growth initiatives, like project IVY, are encouraging, especially for the excited crowd of traders, it's important to remember that you could be proven wrong with your investment for a ridiculously long time before you're finally proven right. Deep-value investment theses tend to reward

those who have the patience to stand by, even as the stock does nothing. Prem Watsa, the Canadian Warren Buffett, is a true believer in BlackBerry. Given the man's track record, I think the odds are on BlackBerry's side.

In due time, Watsa will likely be proven right. But in the meantime, investors looking to ride his coattails are going to need to settle for lack of action over the medium term.

Should you buy BlackBerry after its pullback below \$13?

Most of the Reddit speculators have since moved on from BlackBerry stock. The stock recently sagged below the \$13 mark before bouncing back modestly. Although most investors would be best served by taking the advice of sell-side analysts by taking a raincheck on the name, I wouldn't at all be against accumulating shares if you have the same conviction as the likes of Prem Watsa.

BlackBerry has a lot going for it, as the painful and lengthy turnaround continues. The noise caused by WallStreetBets-driven spikes has caused the share price to deviate significantly away from its true fundamentals. If the company can accomplish its mission and get growth in line with some of its peers in the enterprise software space, the upside could have the potential to be profound.

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