



Why I'd Buy BlackBerry (TSX:BB) Stock on Every Dip

Description

BlackBerry (TSX:BB)(NYSE:BB) stock [staged a sharp rally last Thursday](#) after reporting much better-than-expected latest quarterly results. The Canadian tech stock surged by more than 10% on September 23. Despite this spectacular upward run, BB stock ended last week with only 2.4% gains due to the broader market weakness on other days of the week. The debt-laden Chinese real estate giant **Evergrande's** potential default took a toll on global investors' sentiments, triggering a massive selloff in stocks. Nonetheless, I still would recommend long-term Canadian investors to consider buying BlackBerry stock on every dip now. Here's why.

BlackBerry stock

BlackBerry has remained highly volatile in 2021 — thanks to its popularity on the infamous subreddit WallStreetBets. While several retail traders on Reddit discussed their intentions to skyrocket BB stock, they hardly discussed its long-term fundamentals in the subreddit. This gave some bears and shorts an opportunity to criticize BlackBerry's massive gains by highlighting a recent weakness in its financials.

Although bears were right when they say BlackBerry's recent financial growth hasn't been very impressive, they seemingly forget (or intentionally ignore) to take its long-term financial growth prospects into account. As a result of this criticism, BB stock — which rose by about 113% to nearly \$18 per share in the first month of 2021 — is now trading with only 53% year-to-date gains close to \$13 per share.

Improving fundamentals

While BlackBerry is no longer a smartphone company, it's trying to expand its presence in niches that could be even more profitable than the smartphone industry in the coming years. Several large public and private organizations across the world already rely on BlackBerry's expertise in the cybersecurity domain. Its latest quarterly results already reflected the rising demand for the company's cybersecurity solutions in the post-pandemic world. I expect the demand to rise further in the coming years as more businesses make a digital shift.

Moreover, BlackBerry is now focusing on developing advanced technological solutions for futuristic mobility. In December 2020, BB joined hands with **Amazon** Web Services to start developing an intelligent vehicle data platform. The platform would allow futuristic electric, self-driving, and connected vehicles to provide real-time data to automakers. Car companies could utilize this data to provide better functionality and advanced features in their vehicles.

Notably, BlackBerry currently [has](#) design wins with 24 of the world's top 25 electric vehicle car companies. These factors could help BB grow its financials at an exponential rate in the coming years, as the demand for electric and self-driving vehicles skyrockets, I believe.

Buy BlackBerry stock on every dip

While BlackBerry stock has risen by 53% this year so far, it has been consolidating within a narrow price range since July 2021, despite its improving fundamentals. Given the improving demand for its cybersecurity offerings, ongoing development of new technologies for futuristic vehicles, and its strong global customer base, I find its stock really cheap at the moment. That's why long-term investors may want to buy BlackBerry stock right now — on every dip — before it starts a massive long-term rally.

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