



Avoid High-Risk Assets in 2022: Buy 1 Tech Stock Instead of Bitcoin

Description

The extreme volatility tag of the world's most popular cryptocurrency won't go away, unless the wild price swings stop. **Bitcoin** (BTC) dropped 15% to US\$48,612.22 on December 6, 2021. The price is also 28% lower than its peak of US\$67,566.83 on November 8, 2021. BTC loyalists are fortunate, because they're still up 67.6% year to date.

Trading in Bitcoin and the crypto market, in general, has been turbulent in recent days. You'd be scratching your head if you had BTC holdings and lost 17% overnight. No one can give a definitive reason for the weekend plunge, although fears of a crash are rising.

Meanwhile, in the last five trading sessions, the TSX's [technology sector](#) likewise retreated (-5.77%). However, investors remain up 15.78% year to date. If you're looking for lower-risk assets that could deliver [higher returns](#) in 2022, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a better choice than BTC.

Long-term secular growth trends

BlackBerry has had paltry returns in the last five years (13.92%) but is performing exceedingly well this year with its 35.78% gain. The \$6.49 billion provider of intelligent security software and services should benefit significantly from the long-term secular [growth trends](#) of cybersecurity and the Internet of Things (IoT).

In Q2 fiscal 2022 (quarter ended August 31, 2022), the total revenue of US\$175 million beat consensus estimates. BlackBerry's executive chairman and CEO John Chen said, "Revenue for all businesses beat expectations this quarter. The Cyber Security business unit delivered robust sequential billings and revenue growth."

Chen added, “The IoT business unit performed well in the face of global chip shortage pressures.” He cited the very strong design activity for its QNX products in the IoT business segment. The Cyber Security segment received strong third-party validation due to the effectiveness of BlackBerry’s AI-driven, prevention-first suite of products. It also illustrates progress made with recent product launches, according to Chen.

Recent awards and partnerships

On November 23, 2021, management announced that SE Labs had rated BlackBerry as the best new endpoint security offering of 2021. The private, independently owned and run-testing company that assesses security products and services rated BlackBerry’s Protect (EPP) and Optics (EDR) AAA, the highest rating.

Billy Ho, executive vice president at BlackBerry Spark Group Products, said, “Being rated as best new endpoint solution reflects the work done by our development and engineering teams.” Korea’s leading solution developer for transportation infrastructure systems, sTraffic, chose BlackBerry’s QNX OS for Safety as the foundation for their train traffic management system.

The list of awards, partnerships and new product launches is long. However, BlackBerry’s primary concern is to combat the growing threat of cyberattacks.

Market opportunities

John Giamatteo, newly appointed president of the Cyber Security business unit, said, “BlackBerry’s AI-driven, prevention-first technology is well placed to scale to meet the constantly evolving cybersecurity needs of companies everywhere.”

Grand View Research expects the cybersecurity industry to grow at a compound annual rate of 10.9% through 2028. The size could grow to US\$372.04 billion from around \$179.96 billion in 2021. BlackBerry could capitalize on the vast addressable cybersecurity market and growing market opportunities.

Fundamentals and growth catalysts

Unlike Bitcoin, BlackBerry has fundamentals and growth catalysts, so investors have a basis for making sound investment decisions

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Date

2025/08/24

Date Created

2021/12/09

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