



Tech Recovery Begins: 1 Screaming Buy Right Now

Description

The tech sector posted a sector-wide recovery just over a week ago, helping the **S&P/TSX Composite Index** deliver rapid gains. Several high-profile names among TSX tech stocks led the charge with gains of over 20%. If you are looking for [undervalued stocks](#) that are primed to deliver substantial returns right now, it appears that the tech sector is where you can find them.

BlackBerry (TSX:BB)(NYSE:BB) is one such stock you could consider for this purpose. The former cellphone manufacturing giant also posted some gains on the stock market in the March 18-ending week. Its shares climbed by almost 16% between March 14 and March 18.

Despite posting impressive gains, it underperformed many of its peers in the tech sector. Compared to several other TSX stocks, its underperformance might seem problematic to some investors. That exact quality makes it a tech stock that could be a viable option for [value-seeking investors](#).

Performance on the stock market

BlackBerry is no longer a big name in the cellphone industry, but it has diversified into other areas as a strong entity. The Waterloo-based \$5.16 billion market capitalization tech company saw its valuation decline by almost 40% between 2018 and 2020. The three years of consistent declines did not reflect on the strength of its fundamentals.

BlackBerry established itself as a valuable part of the automotive industry during that time. The QNX operating system created by the company gained significant traction, making the downturn in its valuation seem overdone. BlackBerry became one of those meme stocks supported by traders using Reddit, pumping up its share prices in 2021.

In January 2021, BlackBerry stock climbed by over 100%. The sudden jump was short-lived, and it went through a downward correction in the following months. Despite the correction, it ended 2021 with 40% gains.

2022 started off on a bad note for the entire tech industry. Fears of rising inflation and interest rate

hikes triggered a massive selloff in the tech industry. BlackBerry stock was not spared from the downturn of 35.80% between the start of the year and March 14.

Foolish takeaway

The question is, is BB stock worth buying right now? At writing, BlackBerry stock trades for \$8.99 per share, and it is down by 33% year over year and by over 50% from its June 2021 highs. It means that it has a long way to go to recover to a better valuation.

Demand for the company's cybersecurity solutions is high and will continue to strengthen. In terms of how well its business is doing, BlackBerry does not appear to have any problems. The world is becoming increasingly digitized, and its cybersecurity products will play a crucial role in the future.

The next few quarters could paint a very good picture for the company, potentially translating to stellar shareholder returns for its investors. If you want to buy an undervalued [tech stock](#) with plenty of room to grow, BlackBerry stock could be a good bet to consider.

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Date

2025/06/30

Date Created

2022/03/26

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