



## BB Stock: Here's What's Coming in 2023

### Description

**BlackBerry** ([TSX:BB](#)) has started 2023 on a solid note by gaining 23% in January so far to trade at \$5.42 per share, making it among the top-performing [Canadian tech stocks](#). By comparison, the **TSX Composite** benchmark has risen 5.2% month to date. This recent rally in BB stock comes as a big relief to investors after it witnessed a 62% value erosion in 2022. Before I discuss what to expect from BlackBerry stock in 2023, let me quickly highlight some factors affecting its share price movement lately.

### Key factors affecting BlackBerry's stock price movement

At the start of 2022, high inflation raised the possibility of aggressive interest rate hikes. These macroeconomic concerns encouraged investors to flee riskier assets, leading to a massive crash in most [growth stocks](#) — especially from the technology sector. This is one of the key reasons why BlackBerry stock fell sharply last year, like most other tech stocks.

In addition, BlackBerry's enterprise cybersecurity segment sales declined in the last two quarters as businesses globally tried to reduce their costs to prepare for an expected tough economic environment. Its weakening cybersecurity revenue hurt investors' sentiments, pressuring BB stock further in 2022.

### Solid long-term growth outlook

Nonetheless, a sharp selloff in BB stock and recent weakness in its cybersecurity business doesn't mean that its long-term growth prospects also deteriorated. In fact, the Waterloo-based tech firm increased its efforts to expand the global presence of its IoT (Internet of Things) business last year. Notably, its IoT segment revenue rose 23% year over year in the last two reported quarters combined to US\$102 million.

Earlier this month, BlackBerry [told](#) investors its cloud-based automotive platform, IVY, "is now pre-integrated on three commercially available digital cockpit platforms from leading tier-one automotive suppliers Bosch and PATEO." BlackBerry IVY platform is equipped with AI (artificial intelligence)

system, and the company expects it to be generally available in May 2023.

As the demand for such AI-based vehicle platforms is expected to skyrocket in the coming years with growing demand for autonomous and electric vehicles, it should help BlackBerry significantly accelerate its financial growth. I also expect the demand for its enterprise cybersecurity solutions to increase in the coming years, as more businesses than ever are today vulnerable to cyberattacks and data theft incidents.

## What to expect from BB stock in 2023

While BB stock has managed to start 2023 with optimism, as I noted above, it doesn't mean that macroeconomic concerns that haunted investors last year have suddenly vanished. In contrast, consistent inflationary pressures and high-interest rates have raised the possibility of a near-term recession. Given these economic concerns, BB stock may continue to see a roller-coaster ride for a few more months.

However, we shouldn't forget that the stock market doesn't always perfectly reflects the state of the economy. And it's nearly impossible for anyone to predict short-term market moves. That's why I wouldn't be surprised if BB stock continues to soar, despite economic worries despite difficult economic times. Overall, you may want to buy a [fundamentally](#) strong growth stock like BlackBerry at a big bargain now to hold for the long term instead of trying to predict its short-term moves.

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