RIM Shares Climb As Investors Bet On New BlackBerry

Reuters

Shares of Research In Motion rallied on Friday as investors positioned ahead of the launch of its new make-or-break BlackBerry 10 smartphones at the end of the month.

Morningstar analyst Brian Colello did not see any one news story driving the stock, which climbed steadily through much of the day. The new phones are to be formally unveiled on January 30.

"The stock has been extremely volatile, based on BlackBerry 10 rumors and the potential for success in the market," said Colello.

Several blog posts published on Friday showed purportedly leaked photos of what could be the new phones, and a number of tech sites confirmed that Sprint Nextel Corp would carry BlackBerry 10.

"Sprint plans to bring BlackBerry 10 to our customers later this year. We will share more details soon," said Mark Elliot, a spokesman for the U.S. carrier, said in an email.

Earlier this week, executives at Verizon Communications, AT&T Inc and T-Mobile USA all confirmed they would carry the smartphones, and said they are looking forward to the new devices.

Throughout the autumn of 2012, RIM's stock rose as investors grew more optimistic about the prospects for BlackBerry 10. Colello said the market went from pricing in no chance of success, to betting on at least some chance of success for the new products.

But the rally broke off after RIM reported earnings in December, revealing that it would roll out a new fee structure for its services segment which some fear could put pressure on the high-margin business.

RIM's Nasdaq-listed shares were up 11.8 percent at $13.33. Shares jumped 11.0 percent to C$13.09 on the Toronto Stock Exchange, more than twice the low of C$6.10 that they touched in September.

(Reporting by Allison Martell; Additional reporting by Nicola Leske in New York; Editing by Marguerita Choy)

Source URL (retrieved on *07/10/2014 - 8:40pm*):
http://www.wirelessdesignmag.com/news/2013/01/rim-shares-climb-investors-bet-new-blackberry