RIM Stock Soars After Goldman Sachs Upgrade

Rob Gillies, Associated Press

TORONTO — Research In Motion rose Thursday after Goldman Sachs upgraded the phone maker's shares, saying there's a "30 percent chance" RIM's much-delayed BlackBerry 10 smartphones will be a success.

THE SPARK: Goldman Sachs analyst Simona Jankowski lifted RIM to "Buy" from "Neutral," the latest analyst to voice a slightly more optimistic view for the troubled company. Goldman lifted its 12-month price target to $16 from $9.

THE BIG PICTURE: RIM was once Canada's most valuable company, with a market value of more than $80 billion in 2008, but shares have sunk due to ground lost to Apple Inc.'s iPhone and phones running Google Inc.'s Android system.

Now the company's new BlackBerrys, expected sometime after Jan. 30, are considered critical to its survival. The new system has a touch screen and will include the Internet browsing and apps experience that customers now expect.

THE ANALYSIS: Jankowski noted positive early reviews for the new operating system and broad-based support by carriers who are looking to sell a third operating system beyond Google's Android and Apple's iOS.

She predicted that RIM will become profitable in the year ending in February 2014. Analysts polled by FactSet expect a loss. Still, she expects RIM to revert to a loss the next year.

SHARE ACTION: Shares of Research In Motion jumped $1.10, or 9.9 percent, to $12.20 in morning trading on the Nasdaq. The stock is up 78 percent since late September — but it's down 23 percent this year through Wednesday's close, and has lost more than 90 percent from its 2008 high.

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