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RIM shares jump in Toronto, rebound from sharp decline

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By Allison Martell

TORONTO (Reuters) - Shares of Research In Motion Ltd RIM.TO jumped nearly 10 percent on the Toronto Stock Exchange on Thursday, following similar gains in New York on Wednesday, in a rebound from last week's sharp decline.

Last Friday, the volatile stock plunged more than 20 percent after the company said on an earnings conference call that it was rolling out a new fee structure for its services segment, which some investors fear could pressure the high-margin business.

"It got hit so hard after the conference call," said Ed Snyder, an analyst with Charter Equity Research. "People are still fairly optimistic about (BlackBerry 10) coming out in January, so (the rebound is) really just a value play."

The new fee structure overshadowed stronger-than-expected quarterly results.

RIM shares were up 9.7 percent to C\$11.42 in midday trade on the Toronto Stock Exchange. The company's Nasdaq-listed stock was down 2 percent to \$11.60 after big gains on Wednesday, when Canadian equity markets were closed for Boxing Day.

Through the autumn of 2012, RIM rallied as investors grew optimistic about prospects for its new make-or-break BlackBerry 10 devices, to be formally unveiled January 30. On Thursday, the shares were still up more than 80 percent from the year's low, touched in September.

The Wednesday and Thursday gains also came after several websites posted photos of what they said could be the first BlackBerry 10 phone with a physical keyboard.

Evercore Partners analyst Mark McKechnie said the photos boosted RIM's stock, which he said was depressed from last week's selloff, on a quiet trading day.

"There certainly are folks that believe in the new product cycle," he said. "The whole Wall Street community's been trying to handicap how strong that product cycle will be for RIM."

RIM has said it plans to roll out touchscreen-only devices first, a few weeks before it releases a smartphone with the QWERTY keyboard many longtime BlackBerry users rave about. But some analysts believe devices with hard keyboards will not hit the market until spring.

Management has touted BlackBerry 10's new on-screen keyboard, but some see the company's reputation for building solid, usable physical keyboards as an important competitive advantage as RIM fights for market share against Apple Inc (AAPL.O: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Samsung Electronics (005930.KS: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)).

McKechnie said volatility is not unusual ahead of big smartphone launches.

"There's so much scale involved in this industry, one way or the other. A successful product versus a failure is going to really change the earnings power of a company," he said.

(\$1 = \$0.99 Canadian)

(Editing by John Wallace)



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