



Ballard Power Falls 23% in One Day; Is This an Opportunity?

Description

They say investing isn't for the faint of heart. It requires staying calm, even as stocks swing wildly up and down. But even the most seasoned investors would get weak in the knees if one of their stocks fell 23% in one day.

And that's exactly what happened to **Ballard Power Systems** (TSX: BLD)([Nasdaq: BLDP](#)) on Wednesday, as its shares sunk from \$5.99 to \$4.60 per share. Strangely, Ballard's shares are still up over the past two days after gaining 31% on Tuesday. It seems that the company's shareholders just can't make up their mind.

So what's going on?

Normally the biggest swings in a company's stock price occur after an earnings release. But Ballard hasn't reported earnings since February, and hasn't even had any news releases since March 14. Yet on Tuesday, nearly 4% of the company's shares outstanding changed hands. By comparison, 0.1% of **RBC's** shares change hands on an average day.

Ballard was not alone. **Plug Power** ([Nasdaq: PLUG](#)), which uses Ballard's technology in its fuel cells, also has seen its shares swing wildly. After gaining 49% on Tuesday, its shares dropped 24% on Wednesday. And over 100% of its shares changed hands on the day.

Casino stocks

Recently Citron Research came out with a report that described Plug Power as a "casino stock", suggesting that investing in Plug is really more like gambling than investing. And no wonder – with so many shares trading in a single day, shareholders are clearly hoping to flip the shares for a quick profit rather than hold them for the long term.

The same thing could be said for Ballard. The good news is that both stocks are still up on the year. Ballard's shares are up 185% and Plug's share are up a whopping 315%. The bad news is that most shareholders haven't held the stock for that long.

Foolish bottom line

So what should you do? Well, assuming you are an investor, these stocks are clearly not suitable. While both of them have gained plenty this year, those gains have been fueled by speculation and greed than by fundamentals.

And for those of you who prefer to make risky short-term bets, Las Vegas has perfect weather this time of year.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)
2. NASDAQ:PLUG (Plug Power Inc.)

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Date

2025/08/25

Date Created

2014/03/27

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