



## Why Fitbit Stock Gained 23% in September

### Description

### What happened

Investors in **Fitbit** (NYSE: FIT) beat the market last month as the stock jumped 23% compared with a 2% increase in the **S&P 500**, according to [S&P Global Market Intelligence](#). That rally wasn't strong enough to return the [tech specialist](#) to positive territory for the year, though, as shares are down over 20% so far in 2019.

### So what

Fitbit's rally had nothing to do with improving operating trends. In fact, the wearable device maker's last earnings report, in late July, showed only modest sales growth and net losses as competition continued pouring into the industry. Yet shares spiked on reports that the company is considering a sale to [take itself private](#).

### Now what

There are some good reasons a private equity company or larger tech stock might want to buy Fitbit and acquire its large and loyal customer base. But that's a weak factor to rely on as your sole investing thesis. Investors are better off watching for signs of fundamental operating improvements that would show up in accelerating sales growth or rising profit margin. For now, though, both of these trends point to continued market share losses heading into the crucial holiday shopping period.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Syndicated

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