

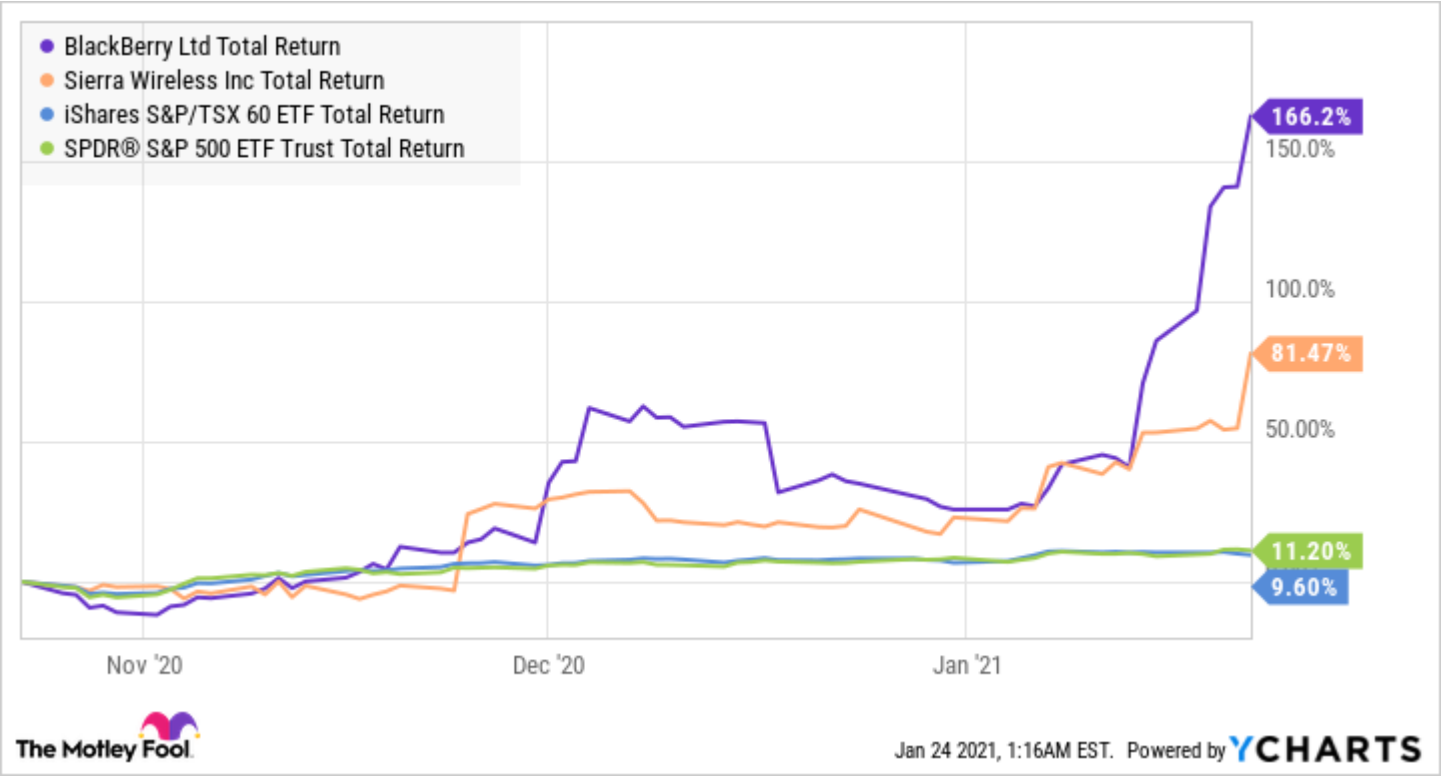


Was I Wrong to Sell BlackBerry (TSX:BB) Stock?

Description

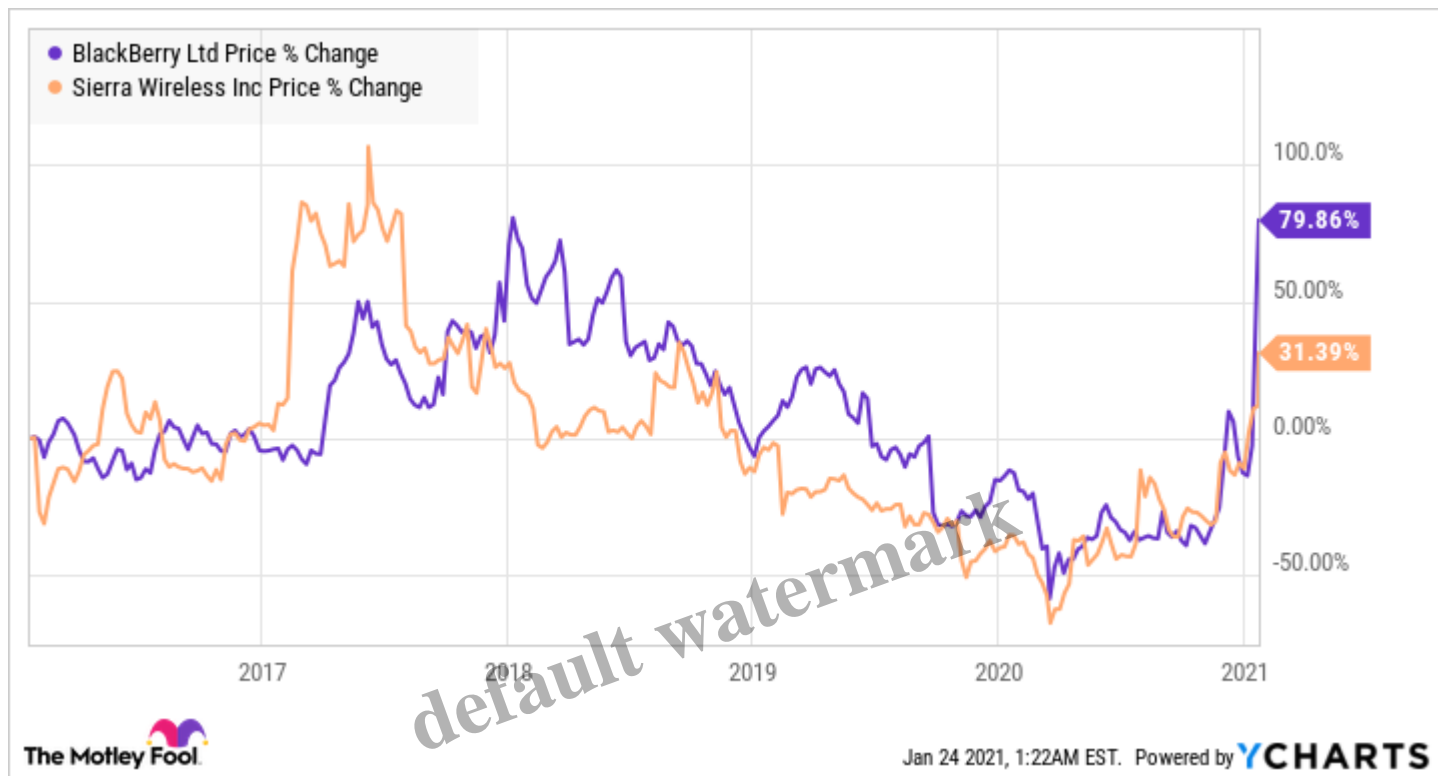
In the past, I bought and sold **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock and **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)) with losses. Soon after buying them, I realized I didn't do enough research to make myself comfortable with the stocks. Eventually, I lost patience when they were locked into a multi-year downtrend, and I ended up selling out of my positions.

However, their recent price actions have been nothing short of amazing. Here's BlackBerry stock and Sierra Wireless stock's total returns in the past three months compared to the North American benchmarks.



Total Return Level data by YCharts. The three-month total returns of BB stock and SW stock versus the Canadian market and U.S. market benchmarks.

Some investors opt never to sell a single share of any company because many battered stocks do recover over time as the underlying businesses improve. As BB stock and SW stock have shown, even though they were in a multi-year downtrend, they still managed to perform strongly lately.



Data by YCharts. The five-year price action of BB stock and SW stock.

At any point in time, investors need to decide on the best action for their portfolios and think about the opportunity costs. Ask yourself if you're willing to wait or if you'd rather be invested immediately in better opportunities elsewhere.

Perhaps the 10-year stock price chart of the two recent high-flying stocks is more telling.



Data by YCharts. The 10-year stock price chart of BlackBerry stock and Sierra Wireless stock.

It's okay to take losses when it makes sense, such as for offsetting capital gains, for periodic maintenance for your portfolio, or you strongly believe it was a mistake buying it in the first place.

The important thing is that your whole portfolio is performing well as a whole. For many investors, it means achieving a target return, a target income level, or a mix of both.

Anyway, I hope you took away something useful from my above experience.

The BB and SW stock rallies

BlackBerry stock started potentially breaking out of its multi-year downtrend in November 2020 when it continued to do business as usual. The breakout was confirmed mid-month of January 2021.

No one would argue that BB stock isn't expensive right now, trading at about 53 times its last-12-month enterprise value to EBITDA. However, I'm not going to make a call saying the stock is going to fall. That said, bulls should at least expect gains to taper off.

In July 2020, Sierra Wireless stock started potentially breaking out of its multi-year downtrend. The breakout was confirmed this month.

Investor takeaway

In hindsight, I shouldn't have bought BlackBerry or [Sierra Wireless](#) stocks to begin with. I was

obviously not familiar with their products and was not comfortable with them at all.

Additionally, I was primarily a value and dividend investor at the time. I still believe value and dividend investing is a simpler and safer starting point to learn stock investing.

While I continue to hold a portfolio of quality dividend stocks, I didn't give up on my quest for better returns. Thankfully, my continued efforts in growth stock investing have paid off with much better overall returns in the past year. Luck played a role as well, as I was able to find hidden gems before they were found by the masses.

One tip that I learned from Motley Fool is to hold and add to winners. I often find it could be the right time to add when a stock starts rallying.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:SW (Sierra Wireless)

PARTNER-FEEDS

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